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UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

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In three Parts

⁂

Part II

COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 4. - CHILE

Washington
1940

THE AMERICAS

U.S. TARIFF COMMISSION—APRIL, 1940

UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

A report on the Trade of Latin America
with Special Reference to Trade
with the United States

Under the General Provisions of Section 332
Part II, Title III, Tariff Act of 1930

In three Parts

PART II

COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 4. - CHILE

Washington
1940

UNITED STATES TARIFF COMMISSION

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Washington, D. C.

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FOREWORD

This analysis of the commercial policies of Chile and its trade relations with the world and with the United States, 1929-38, is one of a series making up part II of a report by the United States Tariff Commission on the Foreign Trade of Latin America. Part I deals with the trade of Latin America as a whole, part II with the trade of individual Latin American countries, and part III with Latin American export commodities. Part I contains a short description of the Latin American area, a consideration of the commercial policies of the Latin American countries, an examination of the total trade of Latin America with the world and with the United States, and an analysis of special problems in the foreign trade of Latin America, including those arising out of the present European war. Part II, consisting of 20 sections, is a survey of the commercial policy and the foreign trade of each of the 20 Latin American republics, with special emphasis on the trend, composition, and destination of exports, and the trend, composition, and source of imports. Each section also contains an analysis of the trade of the United States with the particular country. Part III deals individually with approximately 30 selected Latin American export commodities; for each there is a discussion of production, exports, trade barriers, competitive conditions, and the effects of the European war.

The countries covered in part II of this report are as follows:

Section 1. - Argentina
do. 2. - Bolivia
do. 3. - Brazil
do. 4. - Chile
do. 5. - Colombia
do. 6. - Ecuador
do. 7. - Paraguay
do. 8. - Peru
do. 9. - Uruguay
do. 10. - Venezuela
do. 11. - Costa Rica
do. 12. - El Salvador
do. 13. - Guatemala
do. 14. - Honduras
do. 15. - Nicaragua
do. 16. - Panama
do. 17. - Mexico
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COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

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SECTION 4. - CHILE

Chile - A Description

Physical characteristics.

Chile occupies the entire southern section of South America between the crest of the Andean range and the Pacific Ocean and has a greater inhabited latitudinal range than any other country in the world. Extending approximately 2,600 miles from north to south, its width varies from 46 to 250 miles. Its total area - 296,717 square miles - is slightly smaller than the area of California, Oregon, and Washington combined. Chile is bordered on the north by Peru, and on the east by Bolivia and Argentina. The major part of the country is a series of valleys between the Andes and the much lower coastal range; below about 42 degrees south latitude the coast range becomes a series of islands which fringe the mainland.

Because of its extreme length and variations in altitude, Chile possesses practically every variety of climate. The country may be divided into three regions - northern, central, and southern. The northern region, from the Peruvian border to about 32 degrees south latitude, consists, in its more northerly section, of sandy desert and barren mountains containing the nitrate and borax deposits. The only true desert in South America, it is the driest region of which there is record, there being practically no rainfall. The southern section of the northern region is a semidesert, rich in a variety of minerals. There is a limited rainfall in the winter months and with the aid of irrigation, some agriculture is carried on.

Central Chile, from latitude 32 degrees to 42 degrees, is the agricultural section of the country. It is also the seat of the country's manufacturing industries and contains the principal cities. Here the Andean range is lower. Between the Andes and the coast range lies the plain known as the Central Valley of Chile. The summers are hot and dry, but the winters are mild, with plentiful rainfall. The soil is fertile and intensively cultivated. Toward the south of this area are extensive forests and mineral deposits.

Southern Chile, from about 42 degrees south latitude to Cape Horn, is a region of lower temperatures and of heavy precipitation, which in some areas exceeds 100 inches a year. Dense forests are found up to elevations of 5,000 or 6,000 feet, and pasture lands for cattle and sheep are located throughout the area.

Population.

According to the census of 1930, the population of Chile totaled 4,288,000. About one-half was recorded as urban. In 1937 the number of inhabitants was estimated to be 4,597,000. The density of population is somewhat over 15 persons to the square mile, but more than three-fifths of the population is concentrated in the central region embracing only one-fifth of Chile's total area. In large parts of the northern desert and semidesert regions, the population does not exceed 3 persons to the square mile, and in the southern Province of Magallanes it is considerably less than 1 person to the square mile.

Most of the inhabitants of Chile are of European descent. The population includes some full-blooded Indians, but they are rapidly disappearing. There are very few Negroes in Chile.

Immigration into Chile in recent decades has not been great. In the decade 1920-29, Chilean immigration exceeded emigration by about 40,000, or an average net gain of but 4,000 per year, a large proportion being German. In an effort to attract agriculturalists, the Chilean Government has set aside agricultural land for immigrants in southern Chile, and some Germans, French, Italians, Spaniards, Swiss, English, and Irish have settled there.

Natural resources and economy.

Mining. - The economy of Chile, particularly as it relates to international trade, is closely associated with mining, especially copper mining, and with the production of nitrates. In 1938 exports of minerals constituted over 78 percent of total exports, in terms of value, copper alone accounting for 48 percent and nitrate and its by-product, iodine, for more than 22 percent. Among the countries of the world, Chile ranks second only to the United States in the production of copper. Chile is the only country in which deposits of sodium nitrate exist in quantities sufficient for commercial exploitation. As a result of the development of the synthetic nitrogen process in consuming countries, however, nitrate production no longer holds the position it once did in the Chilean economy. Prior to the World War of 1914-18, nitrate accounted for 75 percent of all Chilean exports and copper for only 5 percent.[1]

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[1] See the discussion on composition of exports.

The natural sodium nitrate industry in Chile began commercially about 1831, but it was not until after 1881 that the industry became important.[1/] Like most other South American countries, Chile has been aided in its industrial expansion by European capital and enterprise. In the nitrate industry the foreign capital was originally British and Spanish. The nitrate industry has been developed jointly by the Government and foreign capital, which was originally British and Spanish; in 1933, however, it was made a State monopoly.

The nitrate fields of Chile extend along the western side of the desert, lying at an elevation of 4,000 to 9,000 feet above sea level, between the northern coastal range and the western slopes of the Andes. The deposits actually worked are at elevations ranging between 4,000 and 7,500 feet, and occur intermittently over an irregular belt some 400 miles long from north to south, and from 5 to 40 miles wide. Of the total population of the zone (in recent years about 400,000), some 50,000 men, on the average, have been employed in the mining and recovery of nitrate, and most of the remainder in services indirectly allied therewith. Thus, approximately 10 percent of the total population of Chile is directly dependent upon the nitrate industry for its livelihood.

Copper deposits are found in the coast range and in the lower slopes of the Andes in both the northern and central regions. Chile's

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[1/] In 1880 the Chilean Government imposed an export tax by means of which 7,981 million pesos (nearly 1 billion dollars) had been collected up to 1930. For this period, receipts from the tax averaged nearly 43 percent of the ordinary revenue of the Government, reaching a maximum of 68 percent in 1894.

contribution to world supplies of copper is large, in 1938 furnishing 18 percent of the total world production, and 79 percent of the total Latin American production. Consumption of copper in Chile is small; practically the entire production is exported. In 1935 nearly 14,000 workers (excluding clerical and technical staffs) were employed in the copper mining industry, which is controlled in large part by United States capital.

Chile, the chief coal producing country of Latin America, has long had an annual output of about 1,250 thousand metric tons. Production has recently increased; in 1938 it exceeded 2 million metric tons. The coal industry is protected by high duties and is able to furnish the greater part of domestic requirements. The low quality of Chilean coal, however, as well as the high costs of extraction and the lack of adequate port facilities, has made it impossible to export coal.

The iron ore deposits of Chile have been actively exploited for many years. Large tonnages of high-grade ore are available close to seaboard, where they can be shipped to market by low cost water transportation. Production of iron ore in recent years has been about 1.5 million long tons annually, all of which is exported to the United States.

Numerous other minerals are mined in Chile, including gold, silver, manganese, cobalt, molybdenum, borate of lime, salt, lead, aluminum, bismuth, mercury, mica, zinc, and sulphur.[1] Petroleum deposits have been reported, but no extensive operations have been undertaken.

Agriculture. - Although agriculture is carried on in other parts of Chile, the chief agricultural (as distinguished from pastoral) area is that region extending from above Valparaiso on the north to Valdivia on the south. The principal cereal crop is wheat, but large quantities of barley and oats are grown, as well as smaller quantities of rye and corn.

There has been considerable development of fruit growing in the regions surrounding Valparaiso and Valdivia, the principal products being apples, peaches, pears, figs, plums, cherries, apricots, melons, various berries, oranges, and lemons. Grape culture is a very important industry; the fruit is grown not only for table use but also for the rapidly growing Chilean wine industry. Walnuts and almonds are also grown in this district.

A great variety of vegetables is grown, including beans, peas, lentils, chickpeas, potatoes, and onions; large quantities of all of these, except potatoes, are exported. Other agricultural products include alfalfa, clover, beet and cane sugar, rice, cotton, and tobacco. Most of the sugar consumed in Chile is imported from Peru, but the cotton produced in Chile now supplies about one-third of the requirements of the domestic cotton mills.

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[1] The value of the Chilean gold production in 1939 was estimated to be $11,445,000. Silver production in that year was estimated to be 1,150 thousand ounces, valued at approximately $450,000.

Pastoral industries. - Chile is an important livestock country. In 1938, however, exports of pastoral products constituted but 7 percent of total Chilean exports, the most important being wool, hides and skins, and fresh and frozen meats.

Sheep raising is the most important Chilean pastoral activity. The sheep industry dates from the latter part of the nineteenth century, when the Government launched efforts to build up pastoral industries in the country in order to provide domestic sources of meat. Stock was imported from Argentina, and the herds grew rapidly. In 1910 the number of sheep in the country was 1,636 thousand; by 1912 it had increased to about 4 million, at which level it remained until after 1925. Since 1929 the number of sheep and lambs in Chile has been somewhat in excess of 6 million, about two-fifths of which have been grazed in the southern Province of Magallanes.

Cattle raising in Chile is largely for the domestic market, although quantities of cattle hides are exported. The number of cattle in 1937 was nearly 2.5 million. Goats, hogs, and horses are also raised, as well as cattle for dairy purposes.

Manufacturing. - The number of persons engaged in manufacturing ranks second to those engaged in agriculture. According to the census of 1930, 296,201 persons were employed in manufacturing industries, and a total of 92,719 persons were listed as owners of "manufacturing establishments."

Chilean manufacturing is concentrated in three regions - Santiago and vicinity, Valparaiso, and Concepción. More than nine-tenths of all manufacturing, however, takes place in the Santiago region. As a result of the industrial development in this region, imports of shoes and leather goods, lighting fixtures, textiles, clothing, candy, biscuits, flour, soap, perfume, matches, cigarettes, beer, sugar, and enamel and glassware have virtually been eliminated. The Valparaiso district, in addition to manufacturing some of the articles mentioned, also produces canned milk, refined sugar, tobacco, and cement. The Concepción district produces principally textiles, glass, and chinaware.

In the decade 1929-38 there was a marked increase in the Chilean production of cotton and woolen, as well as of rayon and silk textiles.[1] In addition, many new industries have been established, including those which produce calcium carbide, rope, twine, binder twine, cordage, linen thread, handbags, and sundry gift wares, liqueurs, and spirits. Other domestic manufactures include canned fruits and vegetables, canned milk, matches, paper, candles, beverages, perfumery, carpets, jute bags, and felt hats.

Most of Chilean manufacturing is on a small scale, and costs are relatively high. A high degree of self-sufficiency, however, has been achieved in certain consumer goods, notably in those for household use. This movement has been given impetus not only by import duties and depreciation of the currency, but also by the policy of the Exchange Control Commission of allocating exchange, insofar as it is possible, only for imports of essential commodities, not manufactured locally.

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[1] In 1937 there were 145 textile factories, with an output valued at 389 million pesos.

The Foreign Trade of Chile

In value of foreign trade Chile in 1938 ranked sixth among the nations of Latin America, and fourth among those of South America. Its exports were valued at 682 million gold pesos (141 million dollars) in that year, or about 8 percent of all Latin American exports and nearly 10 percent of those from South America. In the same year, when imports amounted to 499 million gold pesos (103 million dollars), Chile took 7 percent of the value of all commodities imported into the 20 Latin American countries, and nearly 9 percent of those imported into the 10 South American republics.

The value of exports from Chile usually exceeds that of imports. In 1938 the export balance was 184 million gold pesos (39 million dollars); in 1937, however, the export balance reached 519 million gold pesos (107 million dollars). The mining enterprises are largely controlled by foreign companies, and part of the value of Chilean mineral exports is not made available to the country in the form of foreign exchange.1/

Chilean commercial policy.

The foreign trade of Chile in the decade 1929-38 was greatly complicated by depreciation of the peso, exchange control, the quota

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1/ In addition to returns on investments, the expenses incurred outside of Chile by foreign companies decrease the amount of exchange made available by the exports of such companies. If the companies were controlled by Chilean interests but financed with foreign capital, the net exchange position might not be very different from that which now prevails.

system, and the numerous compensation and clearing agreements effected between Chile and foreign countries.

The tariff.[1] - Chilean import duties, as fixed by law, constitute the minimum tariff. The tariff is applicable to imports from all countries that, in general, accord Chilean products most-favored-nation treatment. In the event that a country adopts measures specifically designed to restrict imports of Chilean goods, the Executive is authorized to increase the tariff on dutiable imports from that country by a maximum of 50 percent, and, on duty-free commodities, to assess duties not exceeding 15 percent ad valorem or the specific equivalent thereof.

The power of the Chilean Executive to exercise control over, and to modify, the tariff is extensive, and to a great extent discretionary. Under the present tariff act - that of February 22, 1928, as amended - the Executive is authorized to increase duties, to reduce duties temporarily by not more than one-half on commodities of prime necessity and on those considered indispensable to public health, to adjust existing tariff classifications, and to impose penalty duties.

The Executive also has the power to increase import duties by as much as 35 percent on commodities considered "analogous" to those produced locally in adequate volume. The determination of which commodities are "analogous" is left to the Executive. The sale of such imported commodities in the domestic market is subject to such price control and other regulations as the Executive may decree.

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[1] Import values employed by Chile are c.i.f. Export values are f.o.b. frontier, excluding export duties.

Increases in duty on "analogous" products are to be terminated when the circumstances which furnished the basis for their adoption no longer exist.

A law of March 10, 1933, empowers the Executive, when the interests of the country make it advisable, to reduce import duties by commercial agreements, and to put such reduced rates into effect for one year, pending legislative approval.

Exchange control. - By a law of July 30, 1931, the control of imports (other than by the tariff) was placed in the hands of the Executive. That control has been exercised by the Exchange Control Commission through its exclusive control and allocation of foreign exchange. The actual transactions are carried on by the Banco Central de Chile (Central Bank of Chile), acting under the general direction of the Exchange Control Commission.

In determining the maximum amount of exchange which may be purchased at one time, the Commission gives preference to raw materials for national industries, manufactured articles of prime necessity, and drugs and medicines. When these commodities are imported from several different countries, preference is given to those countries that purchase the largest portions of Chilean exports.

Exporters are required to deliver to the Central Bank, at the official rate of exchange, a certain percentage of foreign exchange arising from exports. The percentage varies from commodity to commodity, and is changed frequently.

There are six types of exchange rates in Chile;[1] namely, the official rate, the export draft rate, the free market (curb) rate, the "d.p." rate,[2] the compensation "A" rates, and the various private compensation rates. Official exchange is reserved for the exclusive use of the Government. Since there are few transactions at the official rate, the export draft rate and the various compensation rates are of special significance in the economic relations of Chile with other countries.

The export draft rate is used principally for transactions with countries which have no compensation agreements with Chile, for example, the United States and the United Kingdom. Products not considered of prime necessity may be paid for only in free exchange or at the "d.p." rate, and for certain products no exchange of any kind is available. Since October 1936 (except in 1938), the Exchange Control Commission has authorized the importation of luxury products and of those not absolutely indispensable, payment to be made with exchange at a rate set by the Government.[3] During 1938 all United

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[1] For the years covered in this report, the average dollar equivalent of the peso (official rate) was as follows: 1929, $0.1206; 1932, $0.0791; 1936, $0.0512; 1937, 1938, and 1939, $0.0517. (Federal Reserve Bulletin, February 1939 and June 1940). In 1939 the export draft rate averaged about 25 pesos to the dollar, the free market (curb) rate about 32 pesos to the dollar, and the "d.p." rate about 30 pesos to the dollar. These quotations differ from the conversion factors used in this report. Conversions are based on pesos of 6 pence gold, the unit employed in reporting Chilean trade statistics. This gold peso, which is equivalent to $0.2061, should be used only for the purpose of converting trade statistics.

[2] Disponibilidades propias (personal funds).

[3] In 1936 and 1937 this rate was the so-called "gold" rate, based on exchange created by the Chilean gold production. In 1939 it was the "d.p." rate (30-31 pesos to the dollar). "D.p." exchange is derived from Chilean gold production, from travelers' checks, letters of credit, and foreign currency.

States products were granted exchange at the export draft rate (25 pesos per dollar). After the inauguration of the "d.p." rate on March 8, 1939, the export draft rate continued to be made generally available, with some exceptions, for essential commodities. The "d.p." rate (with exceptions) was available for nonessential imports.

The compensation "A" rates, set by the Chilean Government, are employed in trade with countries with which Chile has formal compensation agreements. In quoting Chilean exchange rates in terms of pesos per unit of foreign currency, compensation "A" rates are 130 percent of the official rate. Exchange available at these rates arises only from shipments of nitrate. Private compensation rates are applied to certain transactions with countries with which private agreements of the Chilean Nitrate Sales Corporation or Chilean banks are in effect. Private compensation rates apply to exports of all products (except nitrate and copper) to the countries concerned, such rates being set by supply and demand. Importers may secure compensation "A" exchange, if available, for any product, but there is a scarcity of such exchange and premiums are paid for private compensation exchange.

The inequality in the exchange treatment accorded to imports from different sources has been a prime factor in influencing the origin of Chilean imports. By employing the various Chilean exchange rates for specific uses, a situation is created in which particular commodities or imports from particular countries may enjoy exchange rates which are more favorable than those accorded other commodities or countries. Trade in certain commodities and with certain countries, moreover, may be accorded advantages through the allotment of available exchange.

The possibility that the exchange control system may prove discriminatory also arises out of the clearing and payments arrangements with other countries, which may accord such countries competitive or preferential advantages.

A license and quota system was established in Chile by a law of July 1932, and placed under the control of the Exchange Control Commission. Under the law, quotas may be established for specific products, and for imports from any given country, and prior permits are required for all imports.

In 1935 a Government-sponsored company for the distribution of petroleum and petroleum products was established. From time to time foreign exchange has been sold to the National Petroleum Company at the official rate, which is 20 to 25 percent below that accorded foreign petroleum companies.

Commercial treaties and agreements. - Under the Chilean Constitution, the President has the power to negotiate and sign all treaties, including compensation and clearing agreements, subject to ratification by the National Legislature. Since 1930, the negotiation of all treaties and international agreements has been carried on under the direct guidance and control of a special interdepartmental committee.

Chile has supplemented its exchange control system by the negotiation of a series of compensation agreements. These agreements have usually provided that imports from participating countries shall be in an agreed proportion to the Chilean goods sold to them. These agreements may operate to favor the importation of products from participating countries. Thus, the total imports from Germany under the compensation agreement increased from 25 million gold pesos (5 million dollars) in 1934 to 100 million gold pesos (20 million dollars) in 1936, and 129 million gold pesos (27 million dollars) in 1938.

In the last decade, formal compensation or clearing agreements[1] have been concluded with the following countries: France (1932, 1934, 1935, 1936), Belgium (1933, 1938), Spain (1933), Sweden (1933), Denmark (1934), Germany (1934, 1935), the Netherlands (1934), Switzerland (1934), and Czechoslovakia (1934, 1936). Private agreements of the Chilean Nitrate Sales Corporation or Chilean banks have been in effect with nitrate or banking organizations in Denmark (1933), Austria (1934), Brazil (1934, 1940), Italy (1934), and Bolivia (1937).

It has generally been represented that clearing and similar agreements operate to balance the trade between pairs of countries. While there are grounds to support this view, it cannot be accepted without qualification. For example, Chilean merchandise imports from Germany in the years 1936-38 were substantially in excess of merchandise exports to that country. The failure of the Chilean-German compensation agreement to equalize the value of the goods exchanged between the two countries may have been due to the fact that certain commodities entering the trade were not covered by the agreement. Moreover, a balance in favor of one country or the other may appear in the compensation accounts in any given year, and be liquidated at a

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1/ A clearing agreement in its simplest form provides that the importers of each of the two contracting countries shall pay the cost of their imports from the other country into accounts in their own national currency maintained by agencies selected or established for that purpose. These funds are paid out to those who have exported commodities from the country in question to the other. Thus, if payments to exporters in the trade between the two countries just equal the expenditures of the importers, no movement of foreign exchange is required. In payments agreements the exchange usually is controlled in only one of the two countries; the other maintains a free exchange market.

later time. The compensation agreement may also have provided for certain transfers on nonmerchandise account.

Trend of the trade.

Exports. - The most notable features of Chilean exports are the dominant position occupied by copper and nitrate, the recent shift in the positions of the two commodities,[1] and the small volume of agricultural and pastoral exports.

Exports from Chile to the world and to the United States, in the period 1924-38, are shown in tables 1 and 2. The year 1929, the earliest shown in the detailed tables hereinafter presented, was a peak year in exports to the world as a whole. Exports to the United States, however, were smaller in that year than in several previous years.

Chilean exports in 1929 amounted to 2,294 million gold pesos (279 million dollars). By 1932, the aggregate of exports was but 290 million gold pesos (35 million dollars) - less than 13 percent of the value in 1929. This drastic decline was largely the result of the decrease in the quantity and value of exports of mineral products, the dominant group, which in 1932 were less than 10 percent (in terms of value) of those in 1929. After 1932, with improved demand for nitrate, copper, and agricultural and animal products, total Chilean exports steadily increased, reaching 948 million gold pesos (195 million dollars) in 1937; the gold peso value in that year was about 41 percent and the dollar value approximately 70 percent of those in 1929. In 1937 exports of minerals, in terms of gold pesos, amounted to approximately 37 percent of those in 1929 (63 percent in terms of dollar value), but they showed a greater percentage decrease from the 1929 figures than exports as a whole. In 1938 total Chilean exports declined to 683 million gold pesos (141 million dollars). Preliminary reports indicate that total exports in 1939 amounted to 671 million gold pesos (138 million dollars). Exports in the 4 months January-April 1940 were valued at 294 million gold pesos (61 million dollars), as compared with 235 million gold pesos (48 million dollars) in the comparable period of 1939.

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[1] See the discussion on composition of exports.

Table 1. - Chile: Trade with the world, 1924-38

(Value in thousands)

Year	Exports		Conversion rates: 1 peso of 6d. gold equals	Imports	
	Pesos	United States dollars		Pesos	United States dollars
1924	1,817,939	221,243	0.1217	1,089,772	132,625
1925	1,878,758	228,645	.1217	1,223,378	148,885
1926	1,654,509	201,354	.1217	1,292,674	157,318
1927	1,689,558	205,619	.1217	1,072,991	130,583
1928	1,940,079	236,108	.1217	1,200,014	146,042
1929	2,293,726	279,146	.1217	1,617,564	196,858
1930	1,328,123	161,633	.1217	1,400,125	170,395
1931	824,739	100,371	.1217	705,902	85,908
1932	290,494	35,353	.1217	213,786	26,018
1933	343,771	51,909	.1510	181,815	27,454
1934	469,832	96,785	.2060	241,714	49,793
1935	473,088	97,456	.2060	303,626	62,547
1936	562,269	115,827	.2060	346,733	71,427
1937	947,589	195,203	.2060	428,866	88,346
1938	682,858	140,669	.2060	498,957	102,785

Source: Compiled by the U. S. Tariff Commission from Anuario Estadistico de la Republica de Chile.

Table 2. - Chile: Trade with the United States, 1924-38 1/

(Value in thousands)

Year	Exports			Imports		
	Pesos	United States dollars	Percent of total to United States	Pesos	United States dollars	Percent of total from United States
1924	2/ 682,481	2/ 83,058	37.5	256,071	31,164	23.5
1925	2/ 726,245	2/ 88,384	38.7	339,574	41,326	27.8
1926	797,835	97,097	48.2	422,357	51,401	32.7
1927	533,398	64,915	31.6	318,479	38,759	29.7
1928	642,898	78,241	33.1	368,892	44,894	30.7
1929	582,470	70,866	25.4	520,523	63,348	32.2
1930	337,781	41,108	25.4	467,356	56,877	33.4
1931	275,815	33,567	33.4	241,864	29,435	34.3
1932	76,799	9,346	26.4	49,413	6,014	23.1
1933	68,611	10,360	20.0	40,749	6,153	22.4
1934	89,426	18,422	19.0	69,515	14,320	28.8
1935	108,862	22,425	23.0	82,237	16,941	27.1
1936	109,450	22,547	19.4	87,973	18,123	25.4
1937	213,402	43,961	22.5	124,748	25,698	29.1
1938	107,334	22,111	15.7	138,933	28,620	27.8

1/ For conversion rates, see table 1.

2/ Excludes reexports. Pesos have been calculated from U. S. dollar values.

Source: Compiled by the U. S. Tariff Commission from Anuario Estadistico de la Republica de Chile, and from Foreign Commerce Yearbook.

Value, price, and quantum indexes of Chilean exports for the period 1924-38 are shown in table 3.[1] These indicate that the decline in the gold peso value of exports in the period from 1929 to 1932 resulted from a decline in the average gold peso prices of exports and a decrease in the quantity of goods exported.[2] In 1932, gold peso export prices were about two-fifths and the quantity of goods exported about three-tenths of those in 1929. The recovery in the gold peso value of Chile's export trade after 1932 is attributable chiefly to the increase in the quantity of goods exported, which in 1937 was only about one-tenth lower than in 1929. Gold peso prices continued their downward movement until 1934. After 1934 they recovered, but in 1937 they were still less than two-fifths those in 1929.[3] In 1938 both gold peso export prices and the quantity of goods exported declined, as compared with 1937.

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[1] The quantum index is an attempt to measure the variations in the volume of a country's trade by eliminating the effect of price changes from the value figures. In constructing the indexes, the value figures of total exports or imports are adjusted in accordance with the variations in the country's export and import price indexes. The adjusted figures are then expressed as percentages of the corresponding figures for the base year. Because of the limitations of the basic data employed in the construction of the price indexes, the quantum indexes derived therefrom are only approximate measures of the changes in the volume of a country's exports or imports.

[2] The Chilean trade returns are reported in terms of gold pesos of 6 pence, while the domestic currency is the paper peso of a variable value. The price indexes available are expressed in terms of gold pesos. They, therefore, are not accurate measures of price fluctuations, but may be employed as a general indication of price trends.

[3] The ratio would of course be much higher if the prices were converted to dollars, because of the devaluation of the dollar in 1933-34.

Table 3. - Chile: Value, price, and quantum indexes of exports, 1924-38 1/

Year	Exports, index of -		
	Value (Gold pesos)	Price (gold pesos)	Quantum
1924	109.7	103.9	95.8
1925	113.3	113.3	99.2
1926	88.4	106.4	83.1
1927	100.0	100.0	100.0
1928	117.2	99.6	117.7
1929	138.6	110.2	125.8
1930	80.2	96.4	83.2
1931	49.8	68.0	73.3
1932	17.0	45.3	37.6
1933	20.0	40.0	50.0
1934	27.8	36.5	76.2
1935	28.1	37.0	75.9
1936	33.2	40.3	82.3
1937	56.4	49.2	114.7
1938	40.7	39.6	103.0

1/ 1927 = 100. Original base for the quantum index is 1927-29. The indexes of value and price refer to pesos of 6 d. gold, and are not to be taken as reflecting accurately changes in dollar values, especially because of the devaluation of the dollar in 1933-34. The calculation covers 54 items in 8 groups. Figures for 1929 exclude ship's stores for all ships; figures for later years exclude ship's stores for national ships only.

Source: League of Nations, Review of World Trade, 1938, p. 70.

Imports. - Chilean imports in the decade 1929-38 were greatly influenced by the development of domestic manufacturing. This movement was given impetus not only by import duties and the depreciation of the peso, but also by the policy of the Exchange Control Commission of allocating exchange, insofar as possible, only for commodities which are considered essential, and which are not manufactured within the country.

Imports into Chile from the world and from the United States, in the period 1924-38, have already been shown in tables 1 and 2. The year 1929 (the earliest shown in subsequent detailed tables), was a peak year in imports from the world as a whole, as well as from the United States.

The total Chilean import trade, which in 1929 amounted to 1,618 million gold pesos (197 million dollars), declined in 1932 to 214 million gold pesos (26 million dollars), or 13 percent of its 1929 value. Thereafter it recovered, in 1938 reaching 499 million gold pesos (103 million dollars), or 31 percent of the 1929 peso figure (52 percent in terms of dollar value). Preliminary reports indicate that total Chilean imports in 1939 were valued at 411 million gold pesos (85 million dollars). Imports in the 4 months January-April 1940 amounted to 148 million gold pesos (30 million dollars), as compared with 129 million gold pesos (27 million dollars) in the same period of 1939.

Although the value of all commodity groups was lower in 1932 than in 1929, the most significant declines took place in imports of textiles and manufactures, and in imports of the products of the heavy industries, such as metallurgical products, machinery, and transport materials and accessories. In the period following 1932, these groups did not make up, in terms of value, as large a part of their previous losses as did the total import trade. In part this may be attributed to the efforts of Chile to develop domestic manufactures. In 1938, transport materials and accessories increased to 17 percent of total imports, as compared with 6 percent in 1937, and became the most important import classification; the share of every other group declined.

Value, price, and quantum indexes of Chilean imports for the period 1924-38 are shown in table 4. These indexes show that the decrease in the gold peso value of imports into Chile after 1929 was a result primarily of the decline in the quantity of goods imported and secondarily of the decline in the gold peso prices of such goods. In 1933 gold peso import prices were less than one-half of those in 1929, while the quantum of imports had declined (irregularly) to about one-fourth. The recovery in the gold peso value of Chilean imports after 1933 is attributable more to increases in the quantity of goods imported than to variations in the gold peso price. In 1938, Chilean gold peso import prices on the average were about 54 percent of those in 1929,[1] and the quantum of imports was over 57 percent of that in the same year.

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[1] If the price index were converted to a dollar basis, this ratio would be much higher, because of the devaluation of the dollar in 1933-34.

Table 4. - Chile: Value, price, and quantum indexes of imports, 1924-38 1/

Year	Imports, index of -		
	Value (gold pesos)	Price (gold pesos)	Quantum
1924	101.6	98.7	93.4
1925	112.6	111.1	100.5
1926	120.1	99.6	120.6
1927	100.0	100.0	100.0
1928	111.5	102.5	108.8
1929	150.7	107.0	140.8
1930	130.5	101.7	128.3
1931	65.8	96.6	68.1
1932	19.9	70.5	28.3
1933	16.9	48.4	35.0
1934	19.9	45.2	44.1
1935	27.5	41.8	65.8
1936	32.3	43.0	75.1
1937	40.0	55.2	72.5
1938	46.8	57.7	81.0

1/ 1927 = 100. Original base for the quantum index is 1927-29. The indexes of value and price refer to pesos of 6 d. gold, and are not to be taken as reflecting accurately changes in dollar values, especially because of the devaluation of the dollar in 1933-34. The calculation covers 73 items in 5 groups.

Source: League of Nations, Review of World Trade, 1938, p. 70

Exports from Chile.

Composition. - Chilean exports, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938, are shown in gold pesos in table 5 and in dollars in table 6. For almost every group and individual commodity shown in table 6 there was a sharp drop in the dollar value of exports between 1929 and 1932, caused in considerable part by lower prices. The greatest percentage decrease was in the dominant group, mineral products.

Nearly all groups showed a conspicuous increase in 1937 over 1932, and for a few groups - agricultural products, specie and precious metals, beverages and liqueurs, and textiles and products - the values in 1937 exceeded those in 1929. The dollar value of exports of mineral products in 1937 was 7 times as great as in 1932, but even so, it failed to recover the share of the total trade which it held in 1929. Exports in practically all classifications, however, declined considerably in 1938. For the major groups, the ratios of the dollar value of exports in 1938 to that in 1929 were as follows: Mineral products, 45 percent; animals and animal products, 83 percent; agricultural products, 112 percent; and foodstuffs, 60 percent.

The trade position of Chile depends principally upon world demand for and world prices of its minerals. Exports of these have shown wider fluctuations than total exports. In 1929 they were valued at 247 million dollars, and formed over 88 percent of total exports. Coincident with the decline in world demand for raw materials, the value of mineral exports in 1932 declined to 23 million dollars, and the proportion of total exports represented by minerals dropped to 66 percent. With the subsequent recovery, notwithstanding the decline in 1938, mineral exports in that year amounted to 110 million dollars, or 78 percent of total exports, several of the other groups having gained in position as compared with 1939. Copper bars (electrolytic, standard, or blister), and sodium nitrate and iodine account for practically all of Chile's exports of minerals.

Table 5. - Chile: Exports,[1] by groups, principal subgroups, and commodities, in specified years, 1929 to 1938

(Value in thousands of pesos of 6 d. gold)

Commodity group, subgroup, or commodity[2]	1929	1932	1936	1937	1938
Grand total	2,293,726	290,494	563,269	947,589	682,858
Mineral products	2,025,727	191,455	415,779	752,635	534,326
Ores, crude or simply worked 3/	976,566	132,614	253,729	558,827	378,663
Copper bars, electrolytic, standard, or blister	925,681	120,282	213,530	504,157	328,818
Iron ore, crude	15,431	3,877	11,592	12,636	13,478
Nitrate and iodine 4/	1,046,311	57,709	158,491	189,582	152,731
Agricultural products	101,153	25,236	64,318	73,698	66,756
Leguminous plants	39,066	8,137	27,670	35,151	31,182
Lentils	10,102	3,950	19,123	19,979	17,864
Cereals	37,227	4,663	17,126	15,239	16,375
Oats	14,494	1,520	5,137	8,006	5,680
Barley	22,012	2,773	5,672	7,232	10,693
Fruits, tubers, and pot herbs	19,734	7,998	10,243	10,662	10,192
Fresh apples	3,445	1,287	2,833	3,548	4,053
Walnuts	6,754	2,015	2,643	1,918	1,947
Peaches, dried, pitted	4,090	1,112	1,272	1,574	912
Animals and animal products, including fish and game	88,766	35,460	47,809	74,442	43,565
Wool and other textiles of animal origin, crude	56,677	24,937	26,959	45,518	27,302
Sheep's wool, washed and unwashed 5/	56,255	24,711	25,447	43,185	25,346
Leather and other animal matter, crude	21,535	7,290	15,897	24,313	11,929
Hides and skins, not tanned	17,139	5,022	11,886	13,831	8,483
Tripe and fats, in brine, in wooden containers	6/	1,826	2,680	4,527	2,939
Foodstuffs	41,505	16,496	11,493	16,753	14,810
Meats, including jerked and salted meats	24,829	11,427	4,367	7,618	6,866
Meats, fresh and frozen	24,493	11,298	4,295	7,525	6,756
Starch, flour (or meal), and waste	12,338	2,191	3,224	5,012	4,160
Specie and precious metals	973	8,695	13,491	14,217	8,138
Gold and platinum, unwrought, and gold coins	965	8,325	12,876	14,030	8,132
Gold bars or ingots	6/	8,078	11,468	10,835	4,209
Natural products of waters and forests	12,609	1,617	2,855	5,202	5,447
Beverages and liqueurs	3,763	1,526	1,991	4,838	4,510
Chemical products	6,337	3,694	1,243	1,774	2,069
Miscellaneous manufactured products	5,592	2,183	1,755	2,142	1,981
Textiles and products	734	542	813	789	489
Machinery, accessories, and tools	2,541	1,261	188	384	365
Transport materials and accessories (railway, marine, aircraft, and automotive)	1,441	1,451	159	267	221
Metal manufactures, n.e.s.	2,559	878	376	426	168
Tobacco, manufactured	22	7/	7/	20	13

1/ Exports of Chilean products and nationalized products. Values are f.o.b. frontier, excluding export duties.

2/ Classifications employed in this table are those given in the Chilean export statistics for 1938. Groups are ranked according to value in 1938. 3/ Also pure metals. 4/ Principally nitrate.

5/ Principally unwashed wool. 6/ Not shown separately. 7/ Less than 500.

Source: Compiled by the U. S. Tariff Commission from Anuario Estadistico de la Republica de Chile.

Table 6. - Chile: Exports,[1] by groups, principal subgroups, and commodities, in specified years, 1929 to 1938

(Value in thousands of U. S. dollars)

Commodity group, subgroup, or commodity 2/	1929 (1 peso of 6 d. gold = $0.1217)		1932 (1 peso of 6 d. gold = $0.1217)		1936 (1 peso of 6 d. gold = $0.2060)		1937 (1 peso of 6 d. gold = $0.2060)		1938 (1 peso of 6 d. gold = $0.2060)	
	Value	Percent of total exports	Value	Percent of total exports	Value	Percent of total exports	Value	Percent of total exports	Value	Percent of total exports
Grand total	279,146	100.0	35,353	100.0	115,827	100.0	195,203	100.0	140,669	100.0
Mineral products	246,531	88.3	23,300	65.9	85,650	73.9	155,043	79.4	110,071	78.2
Ores, crude or simply worked 3/	118,848	42.6	16,139	45.7	52,268	45.1	115,118	59.0	78,005	55.5
Copper bars, electrolytic, standard, or blister	112,655	40.4	14,638	41.4	43,987	38.0	103,856	53.2	67,737	48.2
Iron ore, crude	1,878	.7	472	1.3	2,388	2.1	2,603	1.3	2,776	2.0
Nitrate and iodine 4/	127,336	45.6	7,023	19.9	32,649	28.2	39,054	20.0	31,463	22.4
Agricultural products	12,310	4.4	3,071	8.7	13,249	11.5	15,182	7.8	13,752	9.8
Leguminous plants	4,754	1.7	990	2.8	5,700	4.9	7,241	3.7	6,423	4.6
Lentils	1,229	.4	481	1.4	3,939	3.4	4,116	2.1	3,700	2.6
Cereals	4,531	1.6	567	1.6	3,528	3.0	3,139	1.6	3,373	2.4
Oats	1,764	.6	185	.5	1,058	.9	1,649	.8	1,170	.8
Barley	2,679	1.0	337	1.0	1,168	1.0	1,490	.8	2,203	1.6
Fruits, tubers, and pot herbs	2,402	.9	973	2.8	2,110	1.8	2,196	1.1	2,099	1.5
Fresh apples	419	.1	157	.4	584	.5	731	.4	835	.6
Walnuts	822	.3	245	.7	544	.5	395	.2	401	.3
Peaches, dried, pitted	493	.2	135	.4	262	.2	324	.2	188	.1
Animals and animal products, including fish and game	10,803	3.9	4,316	12.2	9,849	8.5	15,335	7.9	8,974	6.4
Wool and other textiles of animal origin, crude	6,898	2.5	3,035	8.6	5,553	4.8	9,377	4.8	5,624	4.0
Sheep's wool, washed and unwashed 5/	6,846	2.5	3,007	8.5	5,242	4.5	8,896	4.6	5,221	3.7
Leather and other animal matter, crude	2,621	.9	887	2.5	3,275	2.8	5,009	2.6	2,457	1.7
Hides and skins, not tanned	2,086	.7	611	1.7	2,449	2.1	3,889	2.0	1,747	1.2
Tripe and fats, in brine, in wooden containers	6/	-	222	.6	552	.5	932	.5	606	.4
Foodstuffs	5,051	1.8	2,008	5.7	2,368	2.0	3,451	1.8	3,051	2.2
Meats, including jerked and salted meats	3,022	1.1	1,391	3.9	900	.8	1,569	.8	1,414	1.0
Meats, fresh and frozen	2,981	1.1	1,375	3.9	885	.8	1,550	.8	1,392	1.0
Starch, flour (or meal), and waste	1,501	.5	267	.8	664	.6	1,032	.5	857	.6
Specie and precious metals	119	.1	1,058	3.0	2,779	2.4	2,929	1.5	1,676	1.2
Gold and platinum, unwrought, and gold coins	117	7/	1,013	2.9	2,653	2.3	2,890	1.5	1,675	1.2
Gold bars or ingots	6/	-	983	2.8	2,362	2.0	2,232	1.1	867	.6
Natural products of waters and forests	1,535	.5	197	.6	588	.5	1,072	.5	1,122	.8
Beverages and liqueurs	453	.2	186	.5	410	.4	997	.5	929	.7
Chemical products	771	.3	449	1.3	256	.2	365	.2	426	.3
Miscellaneous manufactured products	681	.2	266	.7	362	.3	441	.2	408	.3
Textiles and products	89	7/	66	.2	167	.1	163	.1	101	.1
Machinery, accessories, and tools	309	.1	153	.4	39	.1	79	7/	75	7/
Transport materials and accessories (railway, marine, aircraft, and automotive)	175	.1	177	.5	33	7/	55	7/	46	7/
Metal manufactures, n.s.s.	312	.1	107	.3	77	.1	88	.1	35	7/
Tobacco, manufactured	3	7/	8/	7/	8/	7/	4	7/	3	7/

1/ Exports of Chilean products and nationalized products. Values are f.o.b. frontier, excluding export duties.
2/ Classifications employed in this table are those given in the Chilean export statistics for 1938. Groups are ranked according to value in 1938.
3/ Also pure metals. 4/ Principally nitrate. 5/ Principally unwashed wool. 6/ Not shown separately.
7/ Less than one-tenth of 1 percent. 8/ Less than 500.

Source: Compiled by the U.S. Tariff Commission from Anuario Estadístico de la República de Chile.

A notable trend in Chilean mineral exports is the shift in the relative importance of copper and nitrate. This trend is not a recent one; it dates from the war period (1914-18) and the development of the synthetic nitrogen process in consuming countries. In the period 1900-1913, nitrate accounted for 75 percent of all Chilean exports, while copper constituted only 5 percent; in the period 1920-31, the share of nitrate was 55 percent and that of copper was 25 percent. In 1929, copper, though still below nitrates in value, had grown to two-fifths of total Chilean exports. Although the value of exports of copper dropped to 15 million dollars in 1932, they maintained their percentage position. In 1937 exports of copper advanced to over one-half of total exports and to two-thirds of exports of minerals, but in 1938 (when the value was 68 million dollars) they declined to 48 percent of total exports.

Nitrate and iodine,[1] on the other hand, declined in value from 127 million dollars in 1929 to 7 million dollars in 1932, and were approximately 20 percent of all exports in the latter year. Some recovery in percentage of trade took place in 1936, but in 1938, when exports of nitrate were valued at 31 million dollars, they accounted for little more than one-fifth of total exports, and less than one-fourth of all mineral exports. The nitrate industry was made a state monopoly in 1933. In 1935 Chile entered into international agreements with respect to the production and distribution of copper and nitrates. In the case of nitrates, a 3-year agreement was made with synthetic nitrogen producers.

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[1] Mostly nitrate. Iodine is a byproduct of the nitrate industry.

Two groups, animals and animal products (exclusive of meats), and agricultural products, have alternated as second or third in Chilean exports in recent years, and both have gained in percentage of total exports; their combined value, however, continues to be small compared with that of mineral products. The value of exports of animals and animal products has ranged between 4 million dollars (1932) and 15 million dollars (1937) and the share between 4 percent (1929) and 12 percent (1932) of all exports; in the years 1936-38 the share declined from 8 to 6 percent. Exports of agricultural products, which have varied between 4 percent (1929) and 11 percent (1936), were about 10 percent of total exports in 1938. Values ranged from 3 million dollars (1932) to 15 million dollars (1937); the 1938 figure was more than one-tenth greater than that of 1929.

Sheep's wool accounted for approximately two-thirds of the exports included in the animals and animal products classification. If meats, which in the Chilean export classification appear in the foodstuffs group, should be added to the animals and animal products group, that group would constitute a greater percentage of total exports in most years in the period 1929-38 than did agricultural products. Meats, however, formed a smaller percentage of Chilean exports in 1938 than in 1929, whereas foodstuffs in general were a somewhat greater percentage. The chief agricultural commodities exported from Chile are legumes (lentils, beans, and chickpeas), cereals (oats and barley), and fruits, tubers, and greens; in 1937 these products accounted for nearly nine-tenths of all exports listed in the agricultural group.

The small ratio which exports of agricultural and pastoral products and foodstuffs bear to total Chilean exports, and Chile's substantial imports of these commodities, have been of concern to the Chilean Government; efforts have recently been made to diversify the agricultural economy and to promote more intensive cultivation of those agricultural commodities now produced.

Commodities other than mineral, agricultural, and pastoral have usually represented very small proportions of total exports from Chile. They include specie and precious metals; natural products of waters and forests; beverages and liqueurs; miscellaneous manufactured products; chemical products; textiles and products; metallurgical products; machinery, accessories, and tools; railway, marine, aircraft, and automotive materials and accessories; and manufactured tobacco. In 1929 all these groups combined constituted less than 2 percent of the total value of Chilean exports. In 1932, because of the decline in exports of minerals, they became nearly 8 percent of the total, but by 1938 the proportion had declined to little more than 3 percent. In absolute value, exports of these products dropped from 4.5 million dollars in 1929 to 2.7 million dollars in 1932, and rose to 4.8

million dollars in 1938. Exports of specie and precious metals showed a continuous absolute increase until 1937. The increase in the production and export of gold has been an important factor in the Chilean economy.

Quantities, values, and unit values of selected exports from Chile, in specified years, 1929 to 1938, are shown in table 7. Exports of copper bars, the leading Chilean export during each of the years except 1929, declined sharply, in both quantity and value, in 1932 as compared with 1929. Thereafter they increased, the quantity in 1937 being about one and one-fourth times that in 1929, although the dollar value was only about nine-tenths of that in 1929. In 1938, exports of copper bars declined in quantity, although they were still considerably larger than in 1929; dollar values were only about three-fifths those in the latter year. Exports of copper ore were significant in 1929, but were unimportant in subsequent years (see table 7).

Chilean exports of iron ore, which amounted to 1.8 million long tons in 1929, declined to less than 200 thousand tons in 1932. In the period 1936-38 they steadily increased, annual average exports in the 3 years amounting to about 1.4 million tons.

Exports of nitrate in 1929 amounted to more than 2.8 million long tons. After a decline to 240 thousand tons in 1932 they recovered markedly, but in 1938 were less than three-fifths in terms of quantity, and only one-fourth in dollar value, of those in 1929.

In each year of the period 1936-38, exports of oats from Chile (in terms of quantity) exceeded those in 1929. Exports were largest in 1937. Dollar values, however, were considerably lower than in 1929, except in 1937 when they nearly reached the 1929 level. Chilean exports of barley in recent years have been almost as great or greater than those in 1929; in 1938 they exceeded the quantity in 1929 by nearly one-half. Exports of sheep's wool in recent years have displayed less variation in quantity than any other Chilean export commodity mentioned, although dollar values have fluctuated considerably.

Table 7. - Chile: Exports of selected commodities, in specified years, 1929 to 1938

Commodity	1929	1932	1936	1937	1938
	Quantity				
Copper bars, short tons	339,844	132,189	263,712	422,455	385,056
Copper ore, short tons	116,773	5,852	7,164	24,861	5,769
Iron ore, long tons	1,787,258	195,855	1,328,351	1,449,461	1,546,072
Sodium nitrate, long tons	2,851,162	239,545	1,265,972	1,582,588	1,547,968
Oats, 1,000 bu.	3,214	873	3,317	4,171	3,620
Barley, 1,000 bu.	2,383	910	2,236	2,039	3,493
Wool, sheep's, 1,000 lbs. (gross weight)	23,449	25,040	20,970	26,586	21,487
	Value in 1,000 U. S. dollars 1/				
Copper bars	112,655	14,638	43,987	103,856	67,737
Copper ore	3,348	52	64	269	59
Iron ore	1,878	472	2,388	2,603	2,776
Sodium nitrate	117,545	5,361	29,153	34,312	29,160
Oats	1,764	185	1,058	1,649	1,170
Barley	2,679	337	1,168	1,490	2,203
Wool, sheep's	6,848	3,007	5,242	8,896	5,221
	Unit value in U. S. dollars				
Copper bars, short tons	331.49	110.74	166.80	245.84	175.91
Copper ore, short tons	28.67	8.83	8.87	10.80	10.17
Iron ore, long tons	1.05	2.41	1.80	1.80	1.80
Sodium nitrate, long tons	41.23	22.38	23.03	21.68	18.84
Oats, bu.	.549	.212	.319	.395	.323
Barley, bu.	1.12	.370	.522	.731	.631
Wool, sheep's, lb. (gross weight)	.292	.120	.250	.335	.243

1/ Converted at values shown in table 6.

Source: Compiled by the U.S. Tariff Commission from Anuario Estadistico de la República de Chile, and Estadística Chilena.

Destination. - The principal markets for Chilean products sold abroad in 1938, with share of the value of total exports taken by each (as recorded in official statistics), were the United Kingdom (22 percent), the United States (15 percent), Germany (10 percent), and Belgium (8 percent). Other purchasers in 1938 included France, Italy, Sweden, Japan, and Argentina. The percentages given above do not include purchases of nitrate, iodine, and certain other commodities,[1] which accounted for more than 22 percent of all Chilean exports in 1938 (see table 9). The value of exports of nitrate and iodine in recent years has not been included in the statistics of trade with specific countries; it is impossible, therefore, to give an accurate indication of the geographic distribution of Chilean exports. Exports to selected countries, in specified years, 1929 to 1938, are shown in gold pesos in table 8 and in dollars in table 9.[2] More detailed data for 1937 are shown in table 10.[2]

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[1] Beginning Jan. 1, 1938, all shipments of copper bars, the destination of which is not known at the time of embarkation, as well as all shipments of sodium nitrate, sodium sulphate, iodine, and guano, are included under the heading "To order" (see table 8).

[2] For 1929 and 1932 exports of nitrates are included in the country figures.

Table 8. - Chile: Foreign trade with selected countries, in specified years, 1929 to 1938

(Value in thousands of peso of 6d. gold)

Country	1929	1932	1936	1937	1938
Exports to: 1/					
All countries	2,293,726	290,494	562,269	947,589	682,858
UNITED STATES	582,470	76,799	109,450	213,402	107,334
United Kingdom	306,464	91,431	91,973	185,233	148,742
Germany	197,711	39,935	54,365	90,232	68,402
Japan	11,947	253	8,420	14,948	10,591
Italy	40,959	12,236	24,510	43,241	27,560
France	140,592	13,486	33,720	46,945	30,744
All other countries	255,596	54,929	67,719	134,395	2/119,487
To order 3/	757,987	1,425	13,621	29,611	17,267
Nitrate and iodine	4/	4/	3/158,491	3/189,582	3/152,731
Imports from: 5/					
All countries	1,617,564	213,786	346,733	428,866	498,957
UNITED STATES	520,523	49,413	87,973	124,748	138,933
United Kingdom	286,042	27,535	45,507	46,741	50,570
Germany	249,948	31,540	99,662	111,666	128,804
Japan	12,430	1,204	9,937	11,097	12,518
Italy	52,594	7,266	5,358	8,189	13,362
France	71,003	10,056	6,737	8,006	9,911
All other countries 6/	425,024	86,772	91,559	118,419	2/144,859

1/ Exports of Chilean products. Values are f.o.b. frontier, excluding export duties.

2/ Includes trade with the following countries:

Exports to:	Pesos (1,000)	Imports from:	Pesos (1,000)
Belgium	53,213	Peru	29,033
Sweden	21,021	Denmark	22,467
Argentina	10,068	Argentina	21,749
		Sweden	8,630

3/ Included in the total, but not included in data for individual countries. Beginning Jan. 1, 1938, all shipments of copper bars, the destination of which is not known at the time of embarkation, are included under the heading "To order."

4/ Exports of nitrate and iodine valued in 1929 at 1,046,311,471 pesos ($127,336,106), and in 1932 at 57,708,768 pesos ($7,023,157), are distributed among the various countries.

5/ Imports for consumption. Values are c.i.f.

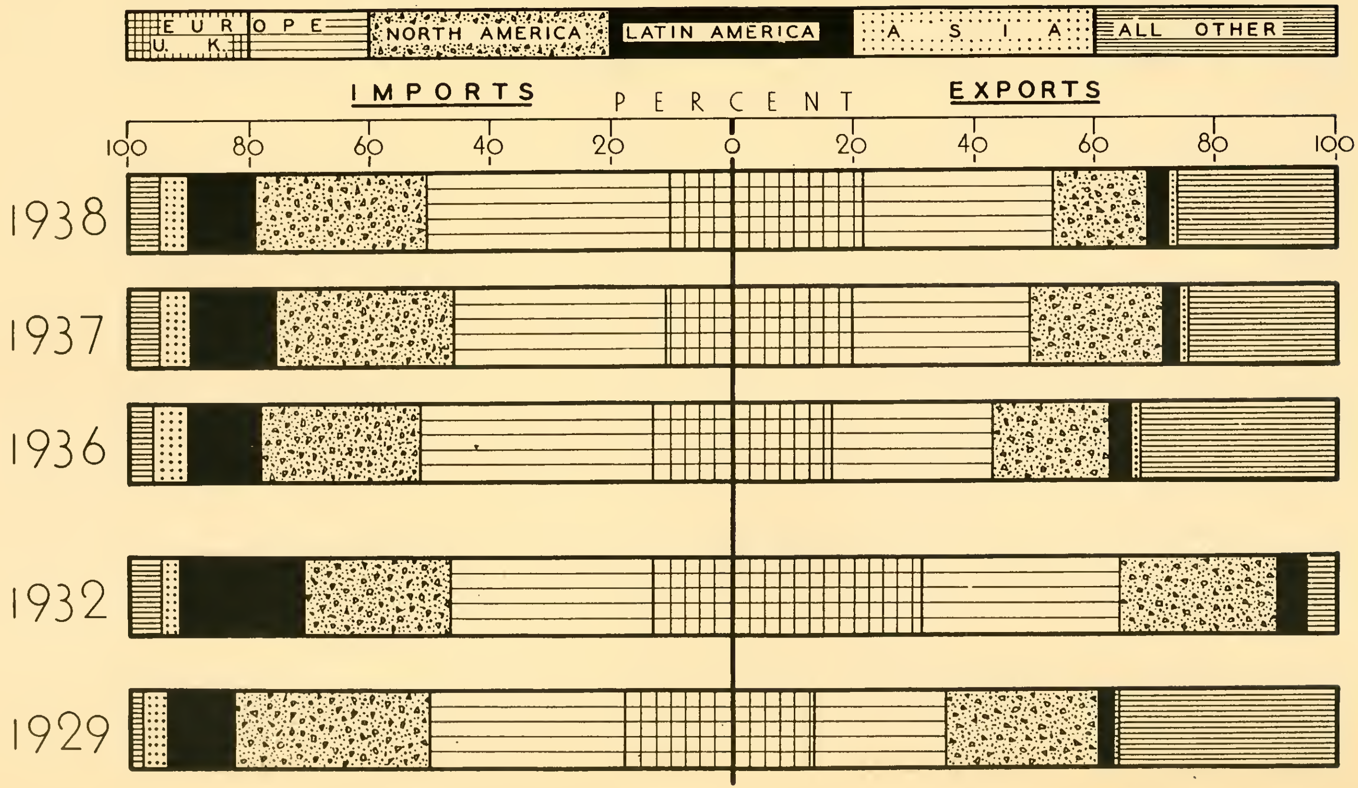
6/ Includes a negligible amount of salvage (de naufragio) for which no country breakdown is available.

Source: Compiled by the U.S. Tariff Commission from Anuario Estadistico de la República de Chile.

CHILE

PERCENTAGE DISTRIBUTION OF IMPORTS AND EXPORTS

1929, 1932, 1936-1938



U.S. TARIFF COMMISSION JULY, 1940

Table 9. - Chile: Foreign trade with selected countries, in specified years, 1929 to 1938

(Value in thousands of U. S. dollars)

Country	1929		1932		1936		1937		1938	
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
	(1 peso of 6d. gold = $0.1217)		(1 peso of 6d. gold = $0.1217)		(1 peso of 6d. gold = $0.2060)		(1 peso of 6d. gold = $0.2060)		(1 peso of 6d. gold = $0.2060	
Exports to:1/										
All countries	279,146	100.0	35,353	100.0	115,827	100.0	195,203	100.0	140,669	100.0
UNITED STATES	70,886	25.4	9,346	26.4	22,547	19.4	43,961	22.5	22,111	15.7
United Kingdom	37,297	13.4	11,127	31.5	18,946	16.4	38,158	19.5	30,641	21.8
Germany	24,061	8.6	4,860	13.8	11,199	9.7	18,588	9.5	14,091	10.0
Japan	1,454	.5	31	.1	1,735	1.5	3,079	1.6	2,182	1.6
Italy	4,985	1.8	1,489	4.2	5,049	4.4	8,907	4.6	5,677	4.0
France	17,110	6.1	1,641	4.6	6,946	6.0	9,671	5.0	6,333	4.5
All other countries	31,106	11.1	6,685	18.9	13,950	12.0	27,685	14.2	2/ 24,614	17.5
To order 3/	92,247	33.1	174	.5	2,806	2.4	6,100	3.1	3,557	2.5
Nitrate and iodine	4/	4/	4/	4/	32,649	28.2	39,054	20.0	3/ 31,463	22.4
Imports from:5/										
All countries	196,858	100.0	26,018	100.0	71,427	100.0	88,346	100.0	102,785	100.0
UNITED STATES	63,348	32.2	6,014	23.1	18,123	25.4	25,698	29.1	28,620	27.8
United Kingdom	34,811	17.7	3,351	12.9	9,374	13.1	9,629	10.9	10,417	10.2
Germany	30,419	15.4	3,838	14.7	20,530	28.7	23,003	26.0	26,534	25.8
Japan	1,513	.8	147	.6	2,047	2.9	2,286	2.6	2,579	2.5
Italy	6,401	3.2	884	3.4	1,104	1.6	1,687	1.9	2,752	2.7
France	8,641	4.4	1,224	4.7	1,388	1.9	1,649	1.9	2,042	2.0
All other countries 6/	51,725	26.3	10,560	40.6	18,861	26.4	24,394	27.6	2/ 29,841	29.0

1/ Exports of Chilean products. Values are f.o.b. frontier, excluding export duties.
2/ Includes trade with the following countries:

Exports to:	U.S.dollars (1,000)	Percent of total
Belgium	10,962	7.8
Sweden	4,330	3.1
Argentine	2,074	1.5

Imports from:	U.S.dollars (1,000)	Percent of total
Peru	5,981	5.8
Denmark	4,628	4.5
Argentina	4,480	4.4
Sweden	1,778	1.7

3/ Included in the total, but not included in data for individual countries. Beginning Jan. 1, 1938, all shipments of copper bars, the destination of which is not known at the time of embarkation, are included under the heading "To order."
4/ Exports of nitrate and iodine valued in 1929 at 1,046,311,471 pesos ($127,336,106), and in 1932 at 57,708,768 pesos ($7,023,157), are distributed among the various countries.
5/ Imports for consumption. Values are c.i.f.
6/ Includes a negligible amount of salvage (de naufragio) for which no country breakdown is available.

Source: Compiled by the U. S. Tariff Commission from Anuario Estadístico de la República de Chile.

Table 10. - Chile: Foreign trade by geographic areas and principal countries in 1937

(Value in thousands of U. S. dollars)

Exports 1/ (1 peso of 6d. gold = $0.2060)			Imports 2/ (1 peso of 6d. gold = $0.2060)		
Exported to -	Value	Percent of total exports	Imported from -	Value	Percent of total imports
Western Hemisphere:			Western Hemisphere:		
UNITED STATES	43,961	22.5	UNITED STATES	25,698	29.1
Canada	9	3/	Canada	543	.6
Argentina	2,310	1.2	Peru	7,159	8.1
Cuba	1,381	.7	Argentina	3,796	4.3
Peru	989	.5	Venezuela	1,168	1.3
Bolivia	675	.4	Brazil	896	1.0
Brazil	639	.3	Curacao	693	.8
Ecuador	352	.2	Ecuador	575	.7
Uruguay	215	.1	Mexico	470	.5
All other Western Hemisphere countries	614	.3	All other Western Hemisphere countries	473	.6
Total	51,145	26.2	Total	41,471	47.0
Europe:			Europe:		
United Kingdom	38,158	19.6	United Kingdom	9,629	10.9
Germany	18,588	9.5	Germany	23,003	26.0
France	9,671	4.9	France	1,649	1.9
Italy	8,907	4.6	Italy	1,687	1.9
Belgium	11,746	6.0	Belgium-Luxemburg	1,923	2.2
Sweden	7,401	3.8	Sweden	1,055	1.2
All other European countries	1,319	.7	Netherlands	629	.7
			Switzerland	480	.5
			All other European countries	1,153	1.3
Total	95,790	49.1	Total	41,208	46.6
Asia:			Asia:		
Japan	3,079	1.6	Japan	2,286	2.6
All other Asiatic countries	23	3/	British India	1,058	1.2
			All other Asiatic countries	171	.2
Total	3,102	1.6	Total	3,515	4.0
Africa	3/	4/	Africa:		
			Egypt	640	.7
			All other African countries	18	4/
			Total	658	.7
Oceania	12	4/	Oceania:		
			Java	1,407	1.6
			All other Oceanic countries	79	.1
			Total	1,486	1.7
Nitrate and iodine	39,054	20.0	"De naufragios" (Shipwrecked, lost)	8	4/
On consignment (to order)	6,100	3.1			
Grand total	195,203	100.0	Grand total	88,346	100.0

1/ Export values are f.o.b. frontier, excluding export duties. Values in statistics are based on British gold pound; pesos are of 6 pence gold, having been converted by the government to the British equivalent. This theoretical trade peso is converted at $0.2060 to U. S. currency.

2/ Imports for consumption values are c.i.f., as declared by merchants.

3/ Less than $500.

4/ Less than one-tenth of 1 percent.

Source: Compiled by the U. S. Tariff Commission from Anuario Estadístico de la República de Chile, 1937.

In 1936 and 1937 the United States took approximately 20 percent of all Chilean exports, exclusive of nitrate and iodine. In 1938, its share dropped to less than 16 percent. The value of United States purchases in these years ranged from 22 million dollars (1938) to 44 million dollars (1937).[1] Since most of the Chilean copper is exported to the United States for refining and export (principally to Europe and Japan), the United States, as an ultimate market for Chilean products, is less important than appears from these statistics. This is offset in large part, however, by exports to the United States of nitrates, which are not recorded in the geographic distribution of exports from Chile.[2]

Exports from Chile to the United Kingdom, which in the 3 years, 1936-38, ranged between 19 million dollars (1936) and 38 million dollars (1937), increased from 16 percent of all exports in 1936 to nearly 22 percent in 1938.

German purchases of Chilean products in the period 1936-38 constituted approximately 10 percent of all exports. In value they varied from 11 million dollars (1936) to 19 million dollars (1937). The share of France in the 3 years 1936-38 ranged from 4.5 to 6 percent, while that of Italy was about 4 percent.[3]

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[1] A comparison of the trade with individual countries in 1936-38 with that in 1929 and 1932 is not practicable inasmuch as in 1936-38 the value of nitrate and iodine shipments was not included in the exports to the various countries.

[2] In 1939 United States imports of copper from Chile for smelting or refining and export amounted to $13,172,000; United States imports of sodium nitrate from Chile were valued at $11,200,000 in that year.

[3] The value of exports to France, Italy, and Japan in 1936-38 varied as follows: France, from 6.3 million dollars (1938) to 9.7 million dollars (1937); Italy, from 5 million dollars (1936) to 8.9 million dollars (1937); Japan, 1.7 million dollars (1936) to 3 million dollars (1937).

Exports from Chile to other countries of Latin America are not large. In 1937 they amounted to approximately 7 million dollars, or less than 4 percent of total exports. Argentina was the principal country of destination.

Exports of nitrate and iodine (not recorded by countries of destination) in 1936 and 1937 accounted for 28 percent and 20 percent, respectively, of all Chilean exports. It is reported that in 1936 and 1937 the principal markets for nitrate were, in the order named, the United States, Egypt, Germany, and the United Kingdom. In the period 1935-37, the United States and the United Kingdom occupied first and second place, respectively, as destinations for Chilean mineral products other than nitrate and iodine. In 1937, the United States took approximately one-fourth of the value of such products, and the United Kingdom approximately one-fifth. The United Kingdom was the principal market for electrolytic copper bars (refined), while the United States led in the purchase of standard copper bars (unrefined). All Chilean exports of iron ore go to the United States; the United States also is the leading purchaser of Chilean gold ores and gold concentrates. Bolivia ranked first in 1937 as an importer of Chilean coal.[1]

Of animal products exported by Chile in the years 1935-37, Germany and the United Kingdom were the principal markets for sheep's wool, Germany and Italy for cattle hides, and Germany and the United States for sheepskins.

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[1] The discussions of export commodities by countries of destination and of import commodities by countries of origin are based on statistics furnished by the Division of Regional Information, U. S. Department of Commerce. Data for years subsequent to 1937 are not readily available.

Chilean agricultural exports in the period 1935-37 went largely to Europe. Germany was the leading market for oats, and the United Kingdom for barley; except for 1935, Belgium occupied second place in purchases of these two cereals. Germany was the first country of destination for exports of legumes (beans, peas, lentils), while Argentina and Germany were the leading markets for fresh and dried fruits and vegetables. Cuba, the United States, and Argentina, in the order named, took over three-fourths of all Chilean exports of garlic. Lumber in 1935-36 went principally to Argentina, Peru, and Bolivia; in 1937, however, the leading country of destination was Germany.

Imports into Chile.

Composition. - Chilean imports consist chiefly of textiles and their manufactures; unworked iron and steel and iron and steel manufactures; machinery, accessories, and tools; chemical products; miscellaneous manufactured products; and transport material and accessories. In 1938 these six groups accounted for more than three-fourths of all imports, and in 1929 for four-fifths. Imports into Chile, by groups and principal subgroups, in specified years, 1929 to 1938, are shown in gold pesos in table 11 and in dollars in table 12.

The variations in the value of Chilean imports during the past decade have been more conspicuous in certain groups than in others. Capital goods, as might be expected, have varied more than consumer goods. The small imports of transport materials and accessories, metal manufactures, and machinery, accessories, and tools in 1932 make the percentage shares of such groups as agricultural products and foodstuffs higher in that year than in other years shown in table 12. The changes in values from year to year have in some part been the result of price fluctuations. In terms of dollar value, imports in all groups in 1938 were smaller than in 1929, but larger (in most cases far larger) than in 1932. In dollar value, the ratios of imports in 1938 to those in 1929 for the major groups were as follows: Textiles and manufactures, 32 percent; metal manufactures, 62 percent; machinery, accessories, and tools, 48 percent; chemical products, 64 percent; miscellaneous manufactured products, 44 percent; agricultural products, 80 percent; nonmetallic mineral products, 81 percent; transport materials and accessories, 81 percent; and foodstuffs, 48 percent.

With the exception of 1938, the most important single Chilean import group in recent years has been textiles and their manufactures. The value of textile imports has ranged between 4.6 million dollars (1932) and 48 million dollars (1929), and was 15.4 million in 1938. Imports in this classification amounted to 15 percent of total imports in 1938 as compared with 25 percent in 1929. This decline is attributable in part to the growing importance of the Chilean textile industry. Fabrics account for more than half of

Chilean textile imports. The share of yarns, as well as that of raw cotton, has increased substantially since 1929, but that of wearing apparel has declined.

In 1938 there was a sharp increase in imports of transport material which became the largest single import classification. By far the greater part of the transport materials consists of automobiles, parts, and accessories. Imports of vehicles, which were 8 percent (by value) of total imports in 1929, reached a low of 1 percent in 1932, but in 1938 again stood at 8 percent and amounted to 8.2 million dollars.

Table 11. - Chile: Imports[1] by groups, principal subgroups, and commodities, in specified years, 1929 to 1938

(Value in thousands of pesos of 6d. gold)

Commodity group, subgroup, or commodity [2]	1929	1932	1936	1937	1938
Grand total	1,617,564	213,786	346,733	428,866	498,957
Transport material and accessories	176,055	3,893	27,072	24,624	84,845
Vehicles, n.e.m., and components and spares [3]	134,423	3,073	15,778	19,476	40,001
Textiles and manufactures	397,747	37,622	73,689	73,502	74,943
Tissues (fabrics)	223,172	17,681	42,866	43,674	43,325
Yarns	44,279	11,121	21,456	21,579	22,091
Wearing apparel	42,656	2,148	3,431	4,041	4,674
Machinery, accessories, and tools	230,289	20,674	52,756	60,409	64,991
Chemical products	154,621	39,541	43,502	53,633	58,114
Blackings, resins, and industrial fats and oils	61,337	17,172	16,300	20,997	22,247
Metal products	155,519	17,090	44,411	61,574	56,626
Iron and steel, unworked	51,348	5,362	19,231	27,385	24,208
Iron and steel manufactures	67,801	7,475	15,702	19,164	19,606
Miscellaneous manufactured products, n.e.m.	179,975	23,159	33,227	41,984	46,495
Articles and instruments for the sciences and fine arts, etc.	33,618	3,164	8,946	11,513	14,886
Ceramicware, glassware, and manufactured stones and earths	29,799	2,963	6,099	8,081	6,930
Paper and cardboard	30,521	9,689	5,299	7,625	7,873
Prepared stones and earths	26,306	1,304	782	1,391	1,119
Tannery products, furs, and derivatives	16,218	580	615	798	899
Agricultural products	79,755	29,634	27,238	39,433	37,592
Vegetable food products and stimulants	43,247	15,161	11,439	15,532	10,768
Oleaginous raw materials of vegetable origin, crude	2,941	2,530	4,861	7,564	9,049
Cereals	16,466	7,280	4,424	5,295	7,687
Rice	16,050	4,627	4,336	4,920	3,745
Raw textile materials of vegetable origin	1,272	376	4,051	8,174	6,469
Cotton, raw, ginned, or unginned	[4]	326	2,803	6,046	4,792
Mineral products (mainly nonmetallic)	63,706	14,223	18,738	33,214	30,435
Coal and fuel oil	54,129	12,577	15,653	27,315	27,403
Craft and navigating material	1,232	81	169	163	33,434
Foodstuffs	88,148	23,810	16,827	21,738	24,939
Sugar and derivatives	55,827	17,359	14,281	17,065	18,902
Oils, edible	21,373	5,180	1,490	2,232	4,121
Animals and animal products, including fish and game	71,594	2,665	7,212	14,710	16,389
Live animals	62,200	1,975	3,939	10,561	11,306
Natural products of waters and forests	13,731	819	1,485	3,345	2,451
Beverages and manufactured tobacco	5,859	654	551	625	879
Specie and precious metals	564	3	25	76	258

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[1] Imports for consumption. Values c.i.f.

[2] Classifications employed in this table are those given in the Chilean trade statistics for 1938. Groups are ranked according to value in 1938.

[3] Principally automobiles and accessories.

[4] Not shown separately.

Source: Compiled by the U.S. Tariff Commission from Anuario Estadístico de la República de Chile.

Table 12. - Chile: Imports 1/, by groups, principal subgroups, and commodities, in specified years, 1929 to 1938

(Value in thousands of U. S. dollars)

Commodity group, subgroup, or commodity 2/	1929 (1 peso of 6d. gold = $0.1217)		1932 (1 peso of 6d. gold = $0.1217)		1936 (1 peso of 6d. gold = $0.2060)		1937 (1 peso of 6d. gold = $0.2060)		1938 (1 peso of 6d. gold = $0.2060)	
	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports	Value	Percent of total imports
Grand total	196,858	100.0	26,018	100.0	71,427	100.0	88,346	100.0	102,785	100.0
Transport material and accessories	21,426	10.9	474	1.8	5,577	7.8	5,073	5.7	17,478	17.0
Vehicles, n.e.m., and components and spares 3/	16,359	8.3	374	1.4	3,250	4.6	4,012	4.5	8,240	8.0
Textiles and manufactures	48,406	24.6	4,579	17.6	15,180	21.3	15,141	17.1	15,438	15.0
Tissues (fabrics	27,160	13.8	2,152	8.3	8,830	12.4	8,997	10.2	8,925	8.7
Yarns	5,389	2.7	1,353	5.2	4,420	6.2	4,445	5.0	4,551	4.4
Wearing apparel	5,191	2.6	261	1.0	707	1.0	833	.9	963	.9
Machinery, accessories, and tools	28,026	14.2	2,516	9.7	10,868	15.2	12,444	14.1	13,388	13.0
Chemical products	18,817	9.6	4,812	18.5	8,961	12.5	11,048	12.5	11,971	11.7
Blackings, resins, and industrial fats and oils	7,465	3.8	2,090	8.0	3,358	4.7	4,325	4.9	4,583	4.5
Metal products	18,927	9.6	2,080	8.0	9,149	12.8	12,684	14.4	11,665	11.3
Iron and steel, unworked	6,249	3.2	653	2.5	3,962	5.5	5,641	6.4	4,987	4.9
Iron and steel manufactures	8,251	4.2	910	3.5	3,235	4.5	3,948	4.5	4,039	3.9
Miscellaneous manufactured products, n.e.m.	21,903	11.1	2,818	10.8	6,845	9.6	8,649	9.8	9,578	9.3
Articles and instruments for the sciences and fine arts, etc.	4,091	2.1	385	1.5	1,843	2.6	2,372	2.7	3,066	3.0
Ceramicware, glassware, and manufactured stones and earths	3,627	1.8	361	1.4	1,257	1.8	1,665	1.9	1,428	1.4
Paper and cardboard	3,714	1.9	1,179	4.5	1,092	1.5	1,571	1.8	1,622	1.6
Prepared stones and earths	3,201	1.6	159	.6	161	.2	287	.3	230	.2
Tannery products, furs, and derivatives	1,974	1.0	71	.3	127	.2	164	.2	185	.2
Agricultural products	9,706	4.9	3,606	13.9	5,611	7.8	8,123	9.2	7,744	7.5
Vegetable food products and stimulants	5,263	2.7	1,845	7.1	2,356	3.3	3,200	3.6	2,218	2.2
Oleaginous raw materials of vegetable origin, crude	358	.2	308	1.2	1,001	1.4	1,558	1.8	1,864	1.8
Cereals	2,004	1.0	836	3.4	911	1.3	1,091	1.2	1,583	1.5
Rice	1,953	1.0	563	2.2	893	1.3	1,013	1.1	771	.8
Raw textile materials of vegetable origin	155	.1	46	.2	835	1.2	1,684	1.9	1,333	1.3
Cotton, raw, ginned, or unginned	4/		40	.2	577	.8	1,246	1.4	987	1.0
Mineral products (mainly nonmetallic)	7,753	3.9	1,731	6.7	3,860	5.4	6,842	7.8	6,270	6.1
Coal and fuel oil	6,587	3.3	1,531	5.9	3,225	4.5	5,627	6.4	5,645	5.5
Craft and navigating material	150	.1	10	4/	35	4/	34	4/	6,887	6.7
Foodstuffs	10,728	5.5	2,898	11.1	3,466	4.8	4,478	5.1	5,138	5.0
Sugar and derivatives	6,794	3.5	2,113	8.1	2,942	4.1	3,515	4.0	3,894	3.8
Oils, edible	2,601	1.3	630	2.4	207	.4	460	.5	849	.8
Animals and animal products, including fish and game	8,713	4.5	324	1.2	1,486	2.1	3,030	3.4	3,376	3.3
Live animals	7,570	3.8	240	.9	811	1.1	2,175	2.5	2,329	2.3
Natural products of waters and forests	1,671	.8	100	.4	306	.4	689	.8	505	.5
Beverages and manufactured tobacco	713	.4	80	.3	113	.2	129	.1	181	.2
Specie and precious metals	69	5/	6/	5/	5	.1	16	5/	53	.1

1/ Imports for consumption. Values c.i.f.
2/ Classifications employed in this table are those given in the Chilean import statistics for 1938. Groups are ranked according to value in 1938.
3/ Principally automobiles and accessories.
4/ Not shown separately.
5/ Less than one-tenth of 1 percent.
6/ Less than $500.

Source: Compiled by the U.S. Tariff Commission from Anuario Estadístico de la República de Chile.

Metal products (chiefly semifinished and finished iron and steel products), imports of which ranged from 2 million dollars (1932) to 19 million dollars (1929), formed 9.6 percent of total imports in 1929, as compared with 11.3 percent (11.7 million dollars) in 1938. Imports of iron and steel manufactures, however, have remained fairly constant in their percentage of total imports. The notable increase within this group has largely been in unworked iron and steel. Imports of these products were 6.4 percent of the value of all imports in 1937 and 4.9 percent in 1938, as compared with 3.2 percent in 1929; this change indicates the growth of Chilean manufacturing, and the attempt further to develop the domestic fabrication of iron and steel. Approximately two-thirds of the unworked iron and steel consists of rolled iron or steel, in bars and sheets. Imports of nonmetallic minerals, principally coal and fuel oil, likewise have increased irregularly from about 4 percent of total imports in 1929 to nearly 8 percent in 1937; in 1938, they declined to about 6 percent. Values varied from 1.7 million dollars (1932) to 7.7 million dollars (1929); in 1938 they were 6.3 million dollars.

Imports of chemical products formed a larger proportion of total imports in 1936-38 than in 1929; the values ranged from 2.5 million dollars (1932) to 19 million dollars (1929), and amounted to 12 million dollars in 1938. Imports of miscellaneous manufactured products, however, declined irregularly from 11 percent in 1929 to 9 percent in 1938, probably reflecting the development of the domestic manufacture of consumer goods. Values of miscellaneous manufactured goods ranged from 2.8 million dollars (1932) to 22 million dollars (1929), and amounted to 9.6 million dollars in 1938.

Chile imports agricultural and pastoral products, such as cattle, sugar, fruits, coffee, rice, and olive oil. In 1938 imports of agricultural products, foodstuffs, and animals and animal products (together valued at 16 million dollars) constituted nearly 16 percent of all imports. The Chilean Government is making efforts to improve methods of cultivation, and to encourage the production of agricultural products now imported. Agricultural commodities, largely vegetable food products and cereals, increased irregularly from 5 percent of total imports in 1929 to over 9 percent in 1937, and declined to 7 percent in 1938. Imports of cereals consist chiefly of rice, but in 1932-33 it was necessary to import wheat because of the short crop in 1931-32. Imports of animals and animal products, representing from about 1 percent to over 4 percent of total imports, declined, both absolutely and relatively, in the decade 1929-38.

The share of Chilean imports of foodstuffs (processed foods) has remained fairly constant at about 5 percent of total imports, except in 1932, when it was more than double that figure because of the extremely small imports of capital and durable consumers goods in that year. The foodstuffs group is composed largely of sugar and edible oils; in the period 1936-38 much the greater portion consisted of sugar, imports of edible oils having declined since

1932. Most of Chile's sugar requirements are imported, chiefly from Peru in the raw state for local refining.

Sources. - Notable developments in the distribution of Chilean imports in the decade 1929-38 were the decline in the shares supplied by the United States and the United Kingdom, and the substantial increase in that supplied by Germany. The principal sources of Chilean imports in 1938, with share of the total value supplied by each, were the United States, 28 percent; Germany, 26 percent; and the United Kingdom, 10 percent. In that year these three countries furnished nearly two-thirds of all imports. Other important suppliers were Peru, Denmark, and Argentina. Imports into Chile from selected countries, in specified years, 1929 to 1938, are shown in pesos in table 8 and in dollars in table 9. More detailed data for 1937 are shown in table 10.

In each year of the decade 1929-38, the United States was the leading supplier of imports into Chile, except in 1936, when Germany occupied that position. In the 3 years 1936-38, the share of the United States has been somewhat over one-fourth, as compared with about one-third in 1929. In terms of dollar value, imports from the United States varied between 6 million dollars (1932) and 63 million dollars (1929), and amounted to 29 million in 1938. The decline in the position of the United States is attributable to the operation of Chilean clearing agreements with European and South American countries, to the scarcity of free exchange, and to the policies of the Exchange Control Commission.

Chilean imports from the United Kingdom in the decade 1929-38 have ranged from 3.3 million dollars (1932) to 35 million dollars (1929). The share of the United Kingdom in Chile's import trade declined irregularly from 18 percent in 1929 to 10 percent in 1938. Germany's share, however, increased irregularly from 15 percent in 1929 to 26 percent in 1938, largely as a result of compensation agreements and increased sales of railroad equipment. The value of imports from Germany ranged from 4 million dollars (1932) to 30 million dollars (1929), and in 1938 was 26.5 million dollars.

Imports from France, which ranged between 4 percent of all imports in 1929 and 5 percent in 1932, declined to less than 2 percent in the period 1936-38. The share of Italy likewise declined to less than 2 percent in 1936-37, but increased in 1938 as a result of Chilean purchases of Italian airplanes. Imports from Japan, which were less than 1 percent in 1929 and 1932, ranged between 2 and 3 percent in the period 1936-38; the increase is largely accounted for by cotton textiles.[1]

Imports into Chile from other countries of Latin America represent a substantial proportion of total imports. In 1937 such imports, which come principally from Peru and Argentina, amounted to more than 14 million dollars, or 16 percent of the total Chilean import trade.

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[1] Imports from France, Italy, and Japan have varied in value as follows: France, from 1.2 million dollars (1932) to 8.6 million dollars (1929); Italy, from 884 thousand dollars (1932) to 6.4 million dollars (1929); Japan, from 147 thousand dollars (1932) to 2.6 million dollars (1938).

The United Kingdom was the most important supplier of Chilean textile imports in the period 1935-37. In 1937, the United Kingdom furnished nearly one-third of such imports, while Germany supplied one-fourth and Japan more than one-seventh. Third place in 1935 and 1936 was held by the United States. The United Kingdom has been the first supplier of yarns and threads, and cotton, wool, and silk cloth and mixtures. The United States has led in furnishing osnaburgs, and India in supplying sacks and bagging. Imports of jute bags from India, however, are declining, because of the expansion of the domestic bag-producing industry; such imports are being replaced by imports of raw jute.

As a supplier of metal products, which includes unworked iron and steel, and iron and steel manufactures except machinery and vehicles, Germany held first place in the period 1935-37, furnishing over one-half of such imports in 1935, three-fifths in 1936, and nearly one-half in 1937. The United States and the United Kingdom occupied second and third places in these years.

The chief suppliers of machinery and tools in the years 1935-37 were the United States and Germany. Germany, the United States, and the United Kingdom, in the order named, were the chief suppliers of miscellaneous manufactures, a group which includes glass, stone, and ceramic products; paper and cardboard; jewelry and watches; and scientific, musical, and professional apparatus. For other Chilean imports, the principal suppliers in 1937 were: Agricultural products, Java (mainly rice); nonmetallic mineral products, the

United States (petroleum); transport materials and accessories, the United States; foodstuffs, Peru (mainly sugar); animal products, Argentina; and forest products, the United States.

United States Trade With Chile

Commerce between the United States and Chile consists principally of the exchange of a variety of United States manufactured products (especially machinery and vehicles) for Chilean copper, natural sodium nitrate, and iron ore. Most of the copper, however, is entered for refining and export and not for consumption in the United States.

Because of economic and technological developments acutely affecting the world demand for sodium nitrate and copper, United States trade with few countries has undergone such extreme variation in the last decade as has its trade with Chile. In the general industrial depression following 1929, the markets for copper and sodium nitrate shrank drastically; this was reflected in the markedly smaller value of United States imports of these products from Chile. The decline in imports, moreover, was aggravated by the displacement of natural sodium nitrate by synthetic nitrogen. The effect of this situation was not merely limited to a contraction of United States imports from Chile; it also resulted in a decline of Chilean purchasing power, which contributed to a very sharp reduction in United States sales to Chile.

Although United States-Chilean trade has increased materially since 1932, continued low prices and the reduced demand for sodium nitrate and copper have held the trade in recent years at a level considerably below that prevailing before the depression. Since copper and sodium nitrate are both strategic war materials, imports from Chile may increase both in volume and in average price as a result of the present European war.

Trend of United States-Chilean trade.

The acute contraction in United States trade with Chile during the depression years had a marked effect upon Chile's relative position in United States import and export trade with Latin America, as is indicated in table 13. By 1933 United States imports from Chile had fallen to one-ninth of their value in 1929, and to one-seventh of the 1924-28 average. Chile's share in total purchases from Latin America was likewise greatly reduced. The relative decline in the value of United States exports to Chile and in its share in total United States exports to Latin America was even greater than for imports therefrom. Chile's share in United States purchases from and sales to Latin America has improved materially since 1932 and 1933, and, while it has not reached the level of the peak year 1929, the share in recent years compared favorably with that in the period 1924-28.

Since the outbreak of the European war the increase in the trade with Chile has been extraordinarily great compared with the rest of Latin America. Part of the increase in imports from Chile in this period has been due to the greater stocking (in bonded warehouses) of copper for refining and export, possibly in anticipation of larger war demand. Expanded sales to Chile at this time has been in part due to the diversion to the United States of purchases from Germany, for several years the second largest source of imports into Chile.

Table 13. - United States imports from and exports to Chile, 1924-39, and in the first 9 months of the European war

(Value in thousands of dollars)

Year	General imports		Exports (including reexports)	
	Value	Percent of total United States imports from Latin America	Value	Percent of toal United States exports to Latin America
1924	98,284	9.5	31,377	4.3
1925	89,194	8.9	39,274	4.7
1926	81,442	7.8	49,043	5.9
1927	61,857	6.4	37,889	4.7
1928	75,160	7.9	40,351	4.9
1929	102,025	10.1	55,776	6.1
1930	54,813	8.1	46,374	7.4
1931	39,977	8.4	21,462	6.9
1932	12,278	3.8	3,568	1.8
1933	11,503	3.6	5,321	2.5
1934	22,910	6.2	12,030	3.9
1935	24,101	5.2	14,948	4.3
1936	25,804	5.1	15,739	4.0
1937	46,668	6.9	23,997	4.2
1938	28,268	6.2	24,603	5.0
1939 1/	40,583	7.8	26,789	4.7
9 mos. Sept.-May 1/				
1938-39	22,025	6.3	16,420	4.5
1939-40	44,375	9.6	30,011	5.4
Percent change	+ 101.5		+ 82.8	

1/ Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States imports from Chile.

Composition. - Chile is practically the sole source of United States imports of sodium nitrate and by far the leading source of imports of copper. The two commodities customarily represent more than three-fourths of total United States purchases from Chile. In comparing the trend of imports over the period shown in table 14, it should be remembered that imports in 1929 were materially greater than in several preceding years.

United States imports of copper from Chile are reported as "imports for consumption," but they are in fact not for final consumption in the United States because a very large proportion of them is entered tax-free under bond, for refining and export, principally to European markets.[1] Most of the copper so imported is the output of Chilean mines owned by United States interests, which are themselves leading producers of copper in the United States. Thus, variations in the imports of copper from Chile in recent years have been the result of changes in world, rather than United States, demand for Chilean copper. Such imports have varied widely in both volume and prices. The value of imports of copper (all forms) totaled 57 million dollars in 1929, 6.6 million dollars in 1932, and 13.8 million dollars in 1939. The quantity fluctuated less widely, amounting to 339 million pounds in 1929, 105 million pounds in 1932, and 141 million pounds in 1939

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[1] The tax on copper was first imposed in 1932. Considerable quantities of refined copper have entered and paid the tax, but much of this has had benefit of drawback when reexported in more advanced forms.

Imports of sodium nitrate have fluctuated even more than those of copper. In value, imports of nitrate totaled 34.5 million dollars in 1929, only 1.4 million dollars in 1932, and 11.2 million dollars in 1939. The greatly reduced price of sodium nitrate has depressed the value of imports.[1] The reduced price, however, operated to increase imports from the low level of 60 thousand tons reached in 1932 to 604 thousand tons in 1939, or about two-thirds of the quantity imported in 1929. The marked reduction in imports after 1929 was the result of several factors, among them the decreased agricultural demand, the large accumulation of stocks in the United States, and the erection of new plants to produce synthetic sodium nitrate.

Iron ore and crude iodine are among the other leading imports from Chile (see table 14); for both, Chile is the principal foreign supplier. Until 1930, Chile held a virtual monopoly of iodine obtained as a byproduct in the recovery of sodium nitrate, but since then iodine has been obtained by other methods, principally recovery from salt brine. Inasmuch as the major part of United States consumption is supplied by imports, iodine is considered as a critical material for which problems of procurement might arise in time of war. Production of iodine in the United States from salt brine has increased materially in the last decade, but estimated domestic capacity has remained below domestic consumption.

1/ The unit value of United States imports of sodium nitrate in 1939 ($16.56 per short ton) was about one-half that in 1929 ($33.38 per short ton).

Although most of the leading imports obtained from Chile have been smaller in value recently than in the peak year 1929, purchases of a few, including iron ore, antimony ore, and sausage casings, have exceeded those in 1929.

Dutiable status of imports. - All but a small part of the value of imports from Chile is represented by duty-free items. Most of the copper from Chile is entered for smelting or refining in bond, and export and is therefore tax-free under the provisions of the Revenue Act of 1932. Sodium nitrate also enters free of duty. Dutiable imports are composed largely of refined copper, subject to an import excise tax of 4 cents per pound since June 1932, and lentils, on which the duty is 1/2 cent per pound, or an ad valorem equivalent of 13 percent in 1939.

Table 14. - United States imports for consumption from Chile of principal commodities, in specified years, 1929 to 1939

(Value in thousands of dollars)

Commodity	Tariff status	Unit of quantity	1929		1932		1936		1937		1938		1939 1/	
			Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Sheep, lamb and goat sausage casings	Free	1,000 pounds	123	115	360	74	404	124	523	299	444	213	313	123
Sheep and lamb skins, wooled, dry and green salted	Free	1,000 pieces	681	777	-	-	445	308	375	343	281	250	513	197
Lamb, kid, sheep, and goat skin furs, undressed	Free	Do.	21	23	11	2	129	139	384	527	92	66	83	86
Bran, shorts, and other wheat byproduct feeds	Dutiable	1,000 pounds	-	-	-	-	6	79	28	685	-	-	3	23
Dried beans	Dutiable	Do.	14,392	758	48	2	7,823	219	19,910	692	874	27	8	1
Lentils	Dutiable	Do.	5,325	502	3,246	129	8,090	393	7,960	353	8,299	295	4,792	191
Iron ore including manganiferous iron ore, n.e.s.	Free	1,000 tons	1,678	2,440	218	518	1,264	2,291	1,439	2,609	1,578	2,853	1,587	2,824
Copper for smelting, refining and export	Free		2/ 338,969	2/ 56,912	105,185	6,553	114,433	9,211	168,917	19,479	121,874	10,998	135,709	13,172
Ore and concentrates	Free	1,000 pounds	2/ 41,606	2/ 5,098	11,642	631	13,250	1,037	4,931	484	2,246	210	3,995	362
Unrefined, black, blister and converter in pigs or bars	Free	Do.	2/ 164,265	2/ 28,221	5,443	282	93,245	7,500	160,930	18,719	116,461	10,475	129,072	12,536
Regulus, black or coarse copper and cement copper	Free	Do.	-	-	117	6	4	3/	359	38	1,676	159	-	-
Refined in cathodes, ingots, plates or bars	Free	Do.	2/ 133,083	2/ 23,592	87,965	5,633	7,772	661	857	69	1,244	130	2,540	263
Copper	Taxable		4/	4/	5/ 316	5/ 16	9,477	768	17,043	2,250	8,656	749	5,694	599
Ore and concentrates	Taxable	1,000 pounds	4/	4/	-	-	20	1	1	3/	-	-	-	-
Unrefined, black, blister and converter in pigs or bars	Taxable	Do.	4/	4/	-	-	-	-	438	44	-	-	1,396	120
Regulus, black or coarse copper and cement copper	Taxable	Do.	4/	4/	-	-	4	3/	4	3/	3/	3/	-	-
Refined in cathodes, ingots, plates or bars	Taxable	Do.	4/	4/	5/ 316	5/ 16	9,452	767	16,599	2,205	8,656	749	4,298	479
Antimony ore (antimony content)	Free	Do.	1,174	69	4	3/	2,483	189	3,414	283	1,552	127	-	-
Iodine, crude	Free	Do.	627	2,249	628	2,218	592	558	1,963	1,781	571	464	200	168
Sodium sulphate, crude (salt cake)	Free	Ton	-	-	-	-	613	5	15,286	117	23,285	179	1,342	11
Sodium nitrate	Free	Do.	921,813	34,466	59,854	1,444	471,944	9,140	625,736	11,569	575,841	10,689	604,009	11,200
Potassium sodium nitrate mixtures, crude	Free	Do.	6/	6/	6/	6/	42,527	1,007	54,706	1,309	39,726	972	49,254	1,235
Imports of commodities shown				$98,310		$10,955		$24,418		$42,126		$27,858		$29,819
Total imports from Chile			7/	102,025	7/	12,278		26,140		43,636		28,592		30,951
Principal imports as percent of total value				96.4		89.2		93.4		96.5		97.4		96.3

1/ Preliminary.
2/ Statistics for 1929 represent total imports, this commodity not having been subject to an import excise tax prior to June 21, 1932.
3/ Not over 500.
4/ Not separately classified, this commodity not having been subject to an import excise tax prior to June 21, 1932.
5/ Taxable under Sec. 601(c)(7), Revenue Act of 1932, effective June 21, 1932, and subsequently extended.
6/ Not separately classified.
7/ General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States exports to Chile.

United States exports to Chile are as diverse in composition as exports to other Latin American countries. The products exported consist largely of manufactures. The most important groups of commodities, as shown in table 15, are machinery and vehicles, metals and manufactures (chiefly steel mill manufactures and steel semimanufactures), and nonmetallic minerals (chiefly petroleum products).

The leading individual products sold to Chile, according to their value in 1939, were fuel oil (9 percent of the total), auto parts (6 percent), motor trucks (5 percent), lubricating oil, tin plate, automobiles, steel sheets, raw cotton, and cotton yarn (see table 16). These products in 1939 accounted for 37 percent of all United States exports to Chile and were valued at 10 million dollars.

The total value of exports to Chile in the last 3 years has averaged only about one-half that in the peak year 1929, and yet sales of several individual commodities have exceeded their value in that year. Among these are combed cotton yarn and raw cotton, the sales of which have increased greatly because of the opening in April 1937 of a large new cotton spinning and weaving mill in Chile. Other commodities exported in the last 3 years, having a sales value in excess of that in 1929, include steel plates and bars, steel wire, tractors, radio sets, and exposed motion picture films.

Table 15. - United States exports (domestic merchandise) to Chile, by groups of commodities, in 1938 and 1939

(In thousands of dollars)

Groups of commodities	1938	1939 1/
Animal and animal products, edible, total	25	63
Animal products and animals, inedible, total	136	150
Vegetable food products and beverages, total	526	68
Milled rice	488	15
Other vegetable food products and beverages	38	53
Vegetable products, inedible, except fibers and wood, total	805	1,257
Automobile tire casings	263	478
Rubber belts and belting	104	149
Other vegetable products, inedible	438	630
Textile fibers and manufactures, total	2,494	2,679
Raw cotton	724	647
Cotton yarn	810	885
Osnaburgs	503	322
Other textile fibers and manufactures	457	825
Wood and paper, total	475	365
Nonmetallic minerals, total	4,571	4,872
Gasoline and other petroleum motor fuel	503	495
Gas oil and fuel oil	2,566	2,348
Lubricating oil	654	1,032
Other nonmetallic minerals	848	997
Metals and manufactures, except machinery and vehicles, total	4,474	5,173
Iron and steel bars, rods, plates, and sheets	861	1,459
Tin plate and taggers' tin	335	849
Wire and manufactures	514	638
Tubular products and fittings	307	281
Other metals and manufactures	2,457	1,946
Machinery and vehicles, total	8,909	9,350
Motors, starters, and controllers	356	214
Radio apparatus	643	542
Industrial machinery	2,839	2,446
Agricultural machinery and implements	645	734
Automobiles, parts, and accessories	2,866	3,814
Other machinery and vehicles	1,560	1,600
Chemicals and related products, total	1,237	1,679
Synthetic collecting reagents	150	204
Safety fuses	135	93
Other chemicals and related products	952	1,382
Miscellaneous domestic articles	836	982
Total exports	24,488	26,638

1/ Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Table 16. - United States exports (domestic merchandise) to Chile of principal commodities, in specified years, 1929 to 1939

(Value in thousands of dollars)

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 1/	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Rice	1,000 pounds	19,361	791	1,187	30	20	1	3,642	100	18,821	488	565	15
Automobile tire casings	Thousand	50	600	4	37	27	252	27	321	23	263	37	478
Rubber belts and belting	1,000 pounds	520	286	19	6	118	49	327	145	265	104	407	149
Gum rosin	1,000 barrels (500 lbs.)	10	172	10	70	7	78	7	135	6	59	7	79
Raw cotton, Upland, under 1-1/8 inches	Bale	225	26	839	38	1,200	84	7,915	625	11,882	710	12	647
Cotton, carded yarn, not combed	1,000 pounds	1,496	508	1,116	202	1,482	397	742	222	1,973	477	1,339	321
Cotton combed yarn	do.	649	511	207	111	664	315	594	318	768	333	1,221	564
Osnaburgs	1,000 sq. yds.	13,186	1,312	5,704	301	12,695	959	4,668	370	8,740	503	6,093	322
Sawed timber, Douglas fir	Million feet	19	361	1	10	2	25	6	117	7	133	2	39
Boards, planks, and scantlings, Douglas fir, rough	do.	30	597	1	9	4	70	10	36	5	94	3	68
Gasoline and other petroleum motor fuel	1,000 barrels	265	1,131	3	16	172	48	174	373	215	503	243	496
Gas oil, distillate fuel oil, and residual fuel oil	do.	6,064	4,464	678	452	1,644	1,465	2,878	2,843	2,546	2,566	2,184	2,348
Lubricating oil, red, pale, and cylinder oil	do.	66	952	19	217	50	492	55	623	55	620	86	991
Steel bars, not containing alloy	1,000 pounds	7,586	180	460	12	2/ 89	2/ 3	11,354	316	11,577	280	19,085	424
Iron and steel plates (except boiler plate), not fabricated	do.	3,046	57	381	6	2,907	57	13,987	348	10,577	251	10,920	217
Steel sheets, black, ungalvanized	do.	11,736	333	41	1	1,165	26	5,352	173	8,966	271	24,620	723
Steel ingots, blooms, billets, slabs, sheet bars, and tin-plate bars	Long ton	3/ 2	3/ 4/	3/ 3	3/ 4/	-	-	297	18	2,160	119	2,976	150
Tin plate, terneplate, and taggers' tin	1,000 pounds	12,701	590	1,084	43	12,564	558	12,517	614	6,529	335	18,306	849
Structural shapes, not fabricated	Long ton	9,957	449	61	2	1,356	49	4,358	245	3,254	161	3,441	163
Rails for railway tracks	do.	23,481	905	210	7	1,408	55	1,399	69	12,296	607	603	29
Welded black pipe, steel, and wrought iron	1,000 pounds	6,598	244	119	5	1,453	52	5,400	203	2,961	110	2,382	93
Iron or steel wire, uncoated	do.	476	20	105	4	5,546	120	9,046	298	7,469	216	10,968	301
Galvanized wire	do.	1,088	25	34	1	2,364	56	4,116	142	2,714	84	3,287	95
Barbed wire	do.	1,355	35	4	4/	1,760	39	3,056	97	4,110	125	4,089	113
Steel castings	do.	3,411	314	63	4	696	63	1,237	133	406	56	174	22
Copper wire (bare)	do.	1,267	208	42	4	538	60	766	128	1,067	134	545	71
Insulated copper wire and cable	do.	2,229	445	543	59	659	151	937	272	851	196	612	144

Footnotes at end of table.

Table 16. - United States exports (domestic merchandise) to Chile of principal commodities, in specified years, 1929 to 1939-continued

(Value in thousands of dollars)

Commodity	Unit of quantity	1929		1932		1936		1937		1938		1939 1/	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Steam turbine generator sets	Number	4	31	-	-	3	2	1	191	4	71	1	4/
Accessories and parts for generators	-		70		5		16		128		29		13
Storage batteries	-		144		8		123		230		75		98
Stationery motors	Number	539	215	24	3	154	48	259	123	257	99	225	46
Accessories and parts for motors	-		138		10		40		112		175		109
Radio receiving sets	Number	1,848	101	1,024	29	11,425	258	11,997	248	20,521	385	24,588	350
Receiving set components	-		20		11		63		198		162		105
Miscellaneous electrical apparatus, n.e.s. 5/	-		197		16		46		145		72		121
Locomotives, steam	Number	18	881	-	-	-	-	-	-	7	460	-	-
Excavator parts and accessories	-		227		22		165		116		156		189
Mining and quarrying machinery	-		1,460		86		399		730		601		598
Miscellaneous industrial machinery and parts 5/	-		641		17		83		137		173		139
Typewriters, new, used, and rebuilt	Number	7,500	448	273	15	2,404	118	3,393	157	3,545	177	4,316	216
Wheel tractors	do.	85	88	-	-	21	35	114	151	24	34	78	72
Track-laying tractors	do.	71	150	-	-	-	-	36	89	123	263	129	291
Motor trucks, busses, and chassis, new 6/	do.	2,378	2,377	121	80	469	315	701	481	1,226	888	1,611	1,218
Passenger cars and chassis, new 6/	do.	5,503	4,618	2	2	896	619	906	641	1,079	816	1,036	785
Automobile parts for assembly, except engines, tires, and glass	-		1,425		6		188		548		587		7/ 876
Automobile parts for replacement, except engines	-		1,216		60		391		399		419		7/ 660
Synthetic collecting reagents for concentration of ores, metals, or minerals	1,000 pounds	Not separately classified						751	151	734	150	965	204
Safety fuses	1,000 lin. feet	14,408	137	5,436	23	3,351	81	12,035	145	21,128	135	7,923	93
Motion picture films, exposed, positive	do.	4,465	104	1,926	42	3,981	166	4,696	302	4,846	267	5,144	258
Exports of commodities shown		$30,204		$2,082		$8,680		$14,706		$15,992		$16,352	
Total exports to Chile		55,564		3,553		15,559		23,742		24,488		26,638	
Principal exports as percent of total		54.4		58.6		55.8		61.9		65.3		61.4	

1/ Preliminary.
2/ Concrete reinforcement bars only.
3/ Probably includes tin plate bars.
4/ Not over 500.
5/ Data not strictly comparable for the series.
6/ May include some second-hand articles in 1929.
7/ Excludes automobile ball and roller bearings, now classified with industrial ball and roller bearings.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Balance of payments between the United States and Chile.

The value of United States imports from Chile has long exceeded the value of exports to Chile, but since 1929 the amount of the import trade balance has fluctuated widely (see table 17). In recent years it has been much smaller than in the 1920's. Indeed, in a few years it has been negligible compared with other items in the bilateral balance of payments. Imports of gold and silver have been sizable, especially since 1932. If gold and silver were included as items in the merchandise account, as they might logically be, inasmuch as they are products of the Chilean mining industry, the import trade balance with Chile would be substantially greater than that shown in table 17.

United States imports from Chile include copper, valued at several million dollars, which is entered for refining and export and which, moreover, is the output of Chilean mines owned by United States interests. It may appear that such copper shipped to the United States does not provide a source of dollar exchange for Chile. This, however, is not the case. Even though shipments from Chile of copper owned by United States citizens do not represent the usual type of commercial transaction, such copper is ultimately sold in world markets and the revenue in part is deposited in the United States and other foreign banks. These balances in dollars and other currencies are then drawn on to buy sufficient Chilean currency to pay for the operating expenses (such as wages and materials) of the foreign-owned enterprises. Thus, shipments of foreign-owned copper from Chile ultimately give rise to a considerable amount of foreign exchange. This amount is less than the value of the copper shipped from Chile by that part of the value which the foreign companies do not expend in Chile. A part, then, of the value of United States imports from Chile actually represents income from direct investments in that country and is not shown separately in table 17 as a credit item for the United States.

For a time interest receipts from Chile were an important item in the balance of payments, but they have been small since 1931, when Chilean dollar bonds went into default. Payments on an adjusted basis were resumed in 1935, though in the aggregate they have been small compared with previous receipts. Estimated United States holdings of Chilean dollar bonds had a par value of 198 million dollars at the end of 1938, and were the second largest block of dollar bonds issued by Latin American countries held in this country.1/

The net debit balance for the available accounts in the balance of payments is shown in the last item in table 17; it indicates that in most years during the period 1929-38 there was a substantial net flow of funds from the United States to Chile, which arose chiefly from the merchandise, and gold and silver accounts. The statistics upon which the net balance is based, however, do not include the return on United States direct investments in Chile, the net movement of banking funds and security transactions, or the investment of new United States capital in that country. The first of these may be substantial; United States direct investments in Chile, chiefly in

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1/ U. S. Department of Commerce, The Balance of International Payments of the United States in 1938, Appendix D, p. 90, 1939.

mining properties, were valued at 484 million dollars at the end of 1936, and were the second largest in Latin America, following those in Cuba.[1] New investments in Chile, on the other hand, have probably been small in recent years, while the size of the net movement of long and short-term capital is not known. It appears, however, that the actual net flow of funds to Chile may be much less than is indicated by the partial statement of the balance of payments.

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[1] U. S. Department of Commerce, American Direct Investments in Foreign Countries - 1936, table 4, page 12, 1938.

Table 17. - Partial balance of payments between the United States and Chile, 1929-38

Note: Net credit balances for the United States are indicated by +; net debit balances by -

(In millions of dollars)

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Trade and service items:										
Merchandise exports to Chile 1/	55.8	46.4	21.5	3.6	5.3	12.0	14.9	15.7	24.0	24.6
Merchandise imports from Chile 1/	102.0	54.8	40.0	12.3	11.5	22.9	24.1	25.8	46.7	28.2
Excess of merchandise imports from Chile	-46.2	-8.4	-18.5	-8.7	-6.2	-10.9	-9.2	-10.1	-22.7	-3.6
Receipts from Chile for shipping services 2/	2.6	1.9	1.7	-	-	.5	.6	.6	.9	.9
Expenditures of Chilean travelers in United States 2/	.7	.7	.4	.4	.3	.3	.5	.5	.5	.5
Expenditures of United States travelers in Chile 2/	.6	.6	.5	.3	.3	.4	.6	.8	.7	.8
Interest receipts from Chile	12.0	15.6	9.7	-	-	-	1.2	1.3	1.8	3/ 2.3
Net receipts from Chile for services 4/	+14.7	+17.6	+11.3	+.1	-	+.4	+1.7	+1.6	+2.5	+2.9
Net receipts from (+) or payments to (-) Chile on trade and service account 4/	-31.5	+9.2	-7.2	-8.6	-6.2	-10.5	-7.5	-8.5	-20.2	-.7
Gold and silver:										
Net gold imports from Chile 1/	-.5	-.5	-.3	-1.6	-2.3	-3.3	-6.6	-7.9	-9.4	-8.4
Net silver imports from Chile 1/	-2.3	-1.8	-.8	-.5	-.7	-1.6	-2.9	-1.0	-1.0	-.7
Net gold and silver imports from Chile	-2.8	-2.2	-1.1	-2.1	-3.0	-4.9	-9.5	-8.9	-10.4	-9.1
Capital items:										
Bond-redemption and sinking-fund receipts from Chile 5/		+3.7	+2.0	-	-	-	-	+.5	+.7	+1.3
Net balance on items shown 6/	-34.3	+10.7	-6.3	-10.7	-9.2	-15.4	-17.0	-16.9	-29.9	-8.5

1/ United States statistics, unadjusted.
2/ Rough estimates.
3/ Allowance made for repurchases of Chilean dollar bonds by foreigners.
4/ Excluding return on United States direct investments in Chile.
5/ Bond-redemption receipts adjusted for repurchase by foreigners in all years; sinking fund receipts in 1938 only.
6/ Exclusive of return on direct investments (receipts) and new investments (payments) in Chile.

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

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2/15/46 1 week

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